

A critical review of compliance and call quality monitoring in Phonetic's insurance tele-marketing campaigns

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Summary

Phonetic is a tele-marketing agency that focuses on outbound lead generation mainly in the insurance sector. They make appointments and transfer prospects by telephone to their insurance/broker client's teams for a quote at the time of the insurance renewal.

Insurance organisations are authorised and regulated by the FCA (Financial Conduct Authority) as are Phonetic. As a result, there are certain guidelines that any authorised company needs to interpret and adhere to when making calls to prospects. Increasingly call quality and compliance is becoming a key area of focus alongside hitting traditional quantitative targets.

The study examined how Phonetic's insurance clients interpreted the FCA guidelines into call guides and call quality monitoring requirements for both their internal teams and external outsourcers. It consisted of secondary data analysis of call quality forms as well as questionnaires to key client contacts and semi-structured interviews to compliance contacts with client organisations.

The research unveiled that many insurers and brokers have a focus on both qualitative and quantitative measures. However, organisations with both an internal team and external outsourcers performing the same function rarely have an aligned approach to managing all parties. The size of the parent organisation heavily influenced whether a contract was in place, which in turn affected the level of formality agreed regarding call quality monitoring and compliance.

Recommendations include a review of all call quality monitoring documents internally within Phonetic as well as facilitating a review amongst clients with multiple teams to ensure they have a consistent approach to managing all teams that perform the same function. In addition, for the compliance and training departments within Phonetic's clients to become more involved in the campaign and the qualitative targets set. Finally, for Phonetic to create a call quality monitoring system that allows any user to

access call quality records for any agent on any campaign allowing greater transparency and knowledge sharing of best practice.

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Chapter 1 - Introduction

1.1 About the Author

The author is employed as Head of Client Services by Phonetic Ltd, an outbound telemarketing agency in Macclesfield, Cheshire. Phonetic provide outbound lead generation and appointment setting services by phone. Most campaigns are business to business and in the insurance sector due to the Managing Director's previous experience in this field.

1.2 Organisational context

The issue of call compliance and call quality monitoring in call centres is very current. There is constant debate within industry articles and forums about the balance to be struck between quantitative and qualitative measures. The topic of efficiency and quality was explored in detail by Banks and Roodt (2011) who found that the highest weighted KPI's amongst call centre managers in South Africa were quantitative. They quote a study by Robinson and Morley (2006) who reported that same findings, with 37% of Call Centre Managers listing a quantitative measure as the most important KPI and only 15% a qualitative being the most important.

Outbound business to business ('B2B') telemarketing in the finance and insurance sector is heavily regulated as demonstrated in Table 1 and the Financial Conduct Authority, the body responsible for regulating the industry, issues guidance through its FCA handbook to all financial services and insurance companies with regards to the protocols that should be met when contacting prospective customers across various channels. However, the requirements that insurance companies and brokers have of both their own internal teams and outsourcers who make outbound B2B calls for them varies from company to company, and it is the process which these companies go through to interpret the FCA guidance into a call guide and call quality measure that is of interest to the author.

Table 1 - Quality Assurance methods by Vertical Market

Vertical market	Scripting	Call monitoring	Call recording	Customer surveys
Finance	67%	100%	96%	91%
IT	22%	94%	44%	100%
Outsourcing	64%	100%	96%	94%
Public Sector	64%	86%	82%	96%
Retail & Distribution	28%	92%	74%	60%
Services	48%	100%	100%	100%
Telecoms	50%	100%	100%	90%
Transport & Travel	52%	100%	84%	80%
Average	51%	96%	86%	87%

Source: The UK Contact Centre Operational Review (6th Edition - 2008) © Contact Babel

At all times there is an effort to blend two seemingly conflicting priorities. How to build rapport with a prospect in the first few crucial seconds of the conversation, whilst informing them (for example) that calls are recorded, they are calling on behalf of another company and/or that they cannot give advice on the products they are discussing? One school of thought encourages the agent to build a relationship; to be able to say what they feel is appropriate at the right time within the call in order to have a successful conversation. Others feel it is crucial to say at certain points of the conversation certain key mandatory statements so that the prospect is fully informed at all stages. Banks and Roodt (2011) quote Aksin, Armony and Mehrotra's (2007) assessment of call centre literature, proposing it was necessary for call centres to develop a better understanding of customer's quality expectations and how those relate to the qualitative and quantitative management practices call centres use.

The aim of this study is to explore the differing interpretations of the FCA handbook guidelines by Phonetic's clients in the insurance sector; furthermore to understand if there is a variation between the call structure and monitoring of their internal teams

who perform the same/a similar outbound B2B lead generation function to outsourcers they use (including Phonetic). What are the factors influencing this decision - what

makes one client have a heavily scripted and rigorous call quality programme compared to another who will not require call recording to be mentioned, allow Phonetic to call 'from' the clients name rather than 'on behalf of' and has no structured call quality or call calibration requirements?

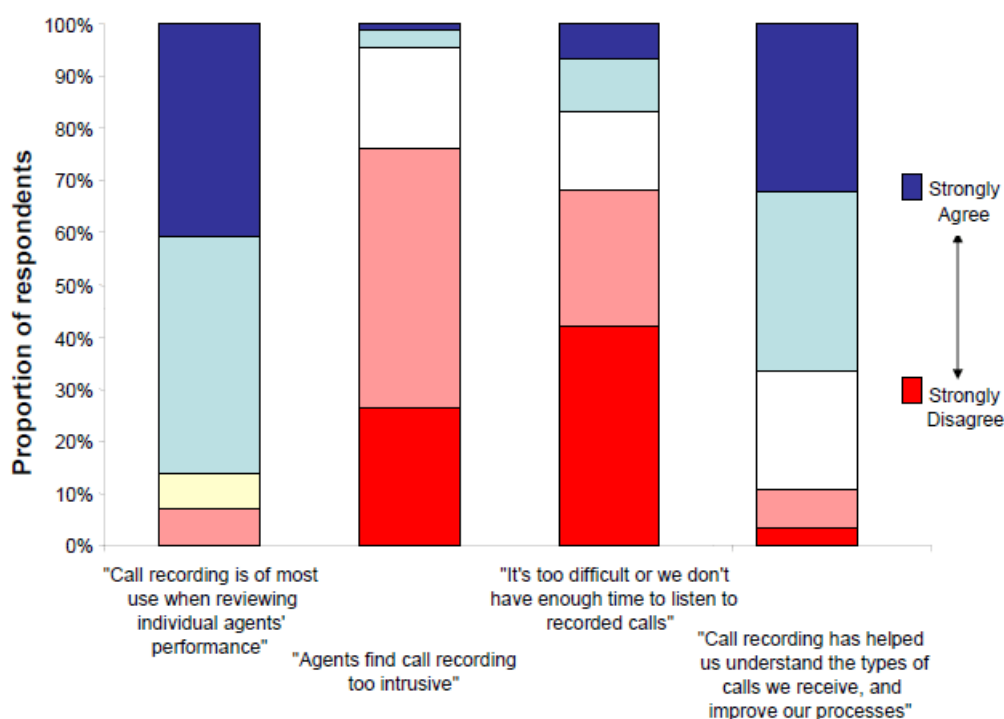
1.3 Strategic importance of the area under investigation

The cost of compliance is often in the industry and national press and 'mis-selling' is often in the news across the financial services sector but involve insurance products. Therefore insurance companies and brokers have to be sure that when any of their employees or outsource partners are generating leads and sales on their behalf, they are following the guidelines and training that they issued.

The cost of non-adherence can run into hundreds of thousands of pounds, however the cost of adhering can be a significant contributor to any business. Therefore to all companies that are bound by FCA guidelines there is a cost involved in ensuring agents are compliant in what they do and say. This ultimately has an effect on the profitability and contribution of each account within Phonetic, or cost centre within a client business.

Quality monitoring does bring the added benefit that it can contribute to the coaching process (see Table 2 below. QA agents are not coaches, but can observe patterns within calls listened to and report both general trends across all team members as well as give specific feedback and advice on how to improve both call quality and 'soft' skills such as pitch, pace, tone, empathy and rapport. There is a need to balance QA resource required to listen to a call (at worst perceived as a 'necessary evil' at best a way of effectively developing agent's skill levels), and the profitability of an account.

Table 2 - Views on quality assurance and call recording



Source: The UK Contact Centre Operational Review (6th Edition - 2008) © Contact Babel

Views / proportion of respondents	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
"Call recording is of most use when reviewing individual agents' performance"	0%	7%	7%	45%	41%
"Agents find call recording too intrusive"	26%	50%	19%	3%	1%
"It's too difficult or we don't have enough time to listen to recorded calls"	42%	26%	15%	10%	7%
"Call recording has helped us understand the types of calls we receive, and improve our processes"	4%	7%	23%	35%	32%

Source: The UK Contact Centre Operational Review (6th Edition - 2008) © Contact Babel

This study will focus on outbound telemarketing, specifically business to business in the insurance sector. The FCA's own handbook of guidance will be the starting point and insurance companies and brokers who are clients of Phonetic will be questioned on the

decision making process that translates this guidance into a call guide, and then into the call quality requirements.

Current literature will be reviewed on the subject of compliance and call quality monitoring within the FCA regulated sector, focusing on outbound B2B calling where there are studies that exist in this area. This will be a blend of industry articles and opinion, investigation into whether any academic studies exist in this area and if so what their findings are, and professional bodies with an interest in quality will be reviewed. An assessment will be made of what (if any) literature or guidance exists for insurance companies to make decisions on what to consider compliant and therefore part of the QA function.

1.4 Research Question and Objectives

Research Question

Is there a variation in the way that insurance companies interpret FCA guidance regarding compliance (and therefore quality assurance) when making outbound B2B lead generation calls? If so, what are the variables that influence this variation in interpretation?

Research Objectives

1. To assess the current interpretation of FCA guidelines by Phonetic's insurance and broker clients into their own internal call quality monitoring functions where they exist (and those elements which they expect any outsourced partners to replicate)
2. To investigate any variances found between these interpretations by Phonetic's insurance and broker clients and the reasons behind this variation in interpretation

Chapter 2 - Literature Review

2.1 Introduction

The use of tele-marketing (using the phone to market a company's products or services) has undergone a revolution in the last 20 years. Cultural and technological changes have shifted contact away from face to face and direct mail to phone and increasingly web, email and mobile based technologies. Greer et al (1999) identified 5 key competitive forces for the move to outsourcing include downsizing, rapid growth or decline, globalisation, increased competition and re-structuring.

Robinson and Morley (2006) use Taylor and Bain's (1999) definition of a call centre as 'a dedicated operation in which computer-utilising employees receive inbound or make outbound telephone calls, with those calls processed and controlled by a...predictive dialling system' (p284).

Table 3 - Opposing views of the call centre industry from authors

Positive		Negative	
Author	Description	Author	Description
Robinson and Morley (2007) quote Dose (2002)	'Flexible bureaucracy'	Garson 1988 quoted in Frenkl et al 1998 (p957); Deery 2006 in Robinson and Morley 2007	'Electronic sweatshop'
Winslow and Bramer 1994 in Frenkl et al 1998 (p958)	'Semi-professional empowered worker' where the front line worker 'becomes a key strategic resource, providing marketing	Menzies 1996 quoted in Frenkl et al (1998); Robinson and Morley (2007) concur with this,	'Wired cage' where employees are connected to IT that automatically allocates work,

	intelligence and acting as the company's ambassador'.	quoting Holtgrewe, Kerst and Shire (2002)	facilitates its completion and monitors employee performance'.
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Within this literature review the author will explore the key themes in current academic research relating to a number of areas including:

- performance management across all industries
- call quality and call monitoring within the call centre industry globally
- the size of an organisation and how this affects performance measurement processes
- employee engagement with the call monitoring process
- the struggle to balance quantitative vs qualitative measures

At the end of the chapter a conceptual framework will be presented with a number of key questions that the author will examine through the selected research methodology.

2.2 Existing studies

There have been many studies on the area of quality within business, although few specific studies that deal with call quality and performance measurement principles in call centres. The most relevant to this study are Banks and Roodt's 2011 study of South African call centre managements performance indicators and Dean and Kiu who find 'there are few reported studies on contracting and performance monitoring and in those studies that do exists, quality outcomes are unclear' (Dean and Kiu, 2001, p400). They go on to quote Domberger and Rimmer's (1994) study which noted many of the studies used incomplete and narrow measures of service quality, and the review provided no consensus on contracting and quality. Robinson and Morley (2007) also acknowledge most call centre research has relied on case studies and have therefore relatively small samples.

Numerous studies examine performance management, however, Holman (2000) notes only a handful have been conducted in call centres. Dembe and Himmelstein (1999, in Dean and Kiu, p401) review models for quality standards describe this as 'both an outcome and a performance measure which is an observable, objective and preferably quantifiable indicator of the extent to which the outcome is attained'. The issues in measuring quality relate in some part to the difficulties in defining the term.

Dean and Kiu state the two areas of efficiency (usually measured in direct financial terms or productivity) and effectiveness (usually indicated by quality) are frequently referred to when the benefits of contracting are discussed. They note that there is an imbalance in the number of studies that explore the two areas and the findings are inconsistent. A summary of the key areas of current research are listed below:

Table 4 – Key current areas of research

Author	Key areas of current literature research
Robinson and Morley (2006)	Control and surveillance; Measurement, Service quality versus productivity; Stress levels
Burgess and Connell (2004) in Robinson and Morley (2007)	Managerial approaches to managing labour; Taylorist work processes; Resistance and coping efforts by workers; The new economy aspects of the work; The location and opportunities of call centre work
Paulet (2004 in Robinson and Morley 2007)	Organisations; Employees; Customers; Management (including themes of control, surveillance and human resource management)

Banks and Roodt (2011) quote Aksin, Armony and Mehrota's 2007 study which proposes that call centres should develop a better understanding of customer's quality expectations and how these relate to the qualitative and quantitative management practices call centres use. They feel the literature suggests a tension

between call centre's desire for customer service and their preferred focus on operational efficiency.

2.3 Performance Management

How a client organisation and/or an outsourcer decide what to manage and how they manage this is relevant to the area of call quality monitoring within this study. Neely (1999) discusses the reasons behind the performance measurement revolution and identifies them as being increasing competition, different bases for competition and specific improvement initiatives. Whilst performance management is a key element of any call centre or outsourced operation, the processes and principles of performance management apply across a wide variety of sectors with similar aims. Most of the studies into these areas are across specific vertical sectors – Neely (1999) cites that between 1994 and 1996 some 3,615 articles on performance measurement were published.

Greer et al (1999) notes that firms look at customer and employee measures of service quality as well as financial measures of success. However there is a risk in balancing anticipated cost savings with quality. Dean and Kiu reference Marwaha and Tommerdahl (1995) who observe that if the purpose of outsourcing is to cost cut, this cost cutting is often passed on to the vendor. If their profit margin decreases, this is likely to have an impact on performance. However if the customer/prospects responses are not actively sought then it may be too late before the lower quality approach is discovered. A key focus of any service that is outsourced is to ensure the strategic and financial benefits are realised without compromising quality. Banks and Roodt (2011) quote Holman et al (2007) who stated the ownership status of call centres affect management practices and that contracts often put the host under pressure to increase production and reduce costs. This means organisations now have to differentiate themselves from their competition in terms of quality of service, flexibility, customisation, innovation and rapid response. Value rather than cost is now the primary driver.

Neely (1999) looks at the focus on performance management processes across a number of sectors and discovered that they are rarely integrated with each other or aligned to the business processes (Lynch and Cross, 1991 in Neely 1999). The below table shows the contributing elements to a performance management system:

Table 5 – Contributing element to a performance management system

Author	Element	Description
Stiles et al (1997)	Definition of performance management	<ul style="list-style-type: none"> • The setting of objectives • The evaluation of performance • The linkage between evaluated performance and development and rewards in order to reinforce desired behaviours
Hudson et al (2001)	Required elements of a performance management system	<ul style="list-style-type: none"> • Quality • Time • Flexibility • Finance • Customer satisfaction • Human resources
Neely (1999)	Reasons for focus on performance management	<ul style="list-style-type: none"> • The changing nature of work • Increasing competition • Specific improvement initiatives • National and international awards • Changing organisational roles • Changing external demands • The power of information technology

Stiles et al (1997) assert that performance management processes play a key role in creating the framework within which the psychological contract is determined. Neely (1999) notes that the question of how business performance can be measured is

complicated by 2 factors: it is not always obvious which measures a firm should adopt and the measures that will be most relevant to the firm will change over time. This means firms will need to continue to be flexible in their outlook and approach regarding performance measures.

Batt and Moynihan (2002, in Robinson and Morley 2007) suggest 3 models of call centre production with mass customisation as the ultimate conundrum for all outsourcers and businesses to balance:

Mass production	Professional service	Mass customisation
Focus on efficiency and economy, minimising cost and maximising output throughout	Focus on the provision of a quality service and alignment with strategic goals	A balance of efficiency (low costs and effectiveness (quality and service) is sought.

2.4 Size of organisation

The size of the organisation can influence both the reasons for initiating the performance management process and the support it gets through implementation.

Hudson et al (2001) undertook a review of performance measurement systems within SME's (12-240 employees) and found current literature suggests that SME's may be differentiated from larger companies by a number of key characteristics. They are:

Table 6 – Key characteristics of SME's (Hudson et al, 2001)

Personalised management with little devolution of authority
Severe resource limitations in terms of management and manpower as well as finance
Reliance on a small number of customers, and operating in limited markets
Flat, flexible structures
High innovatory potential
Reactive, fire fighting mentality
Informal dynamic strategies

Hudson et al (2001) note that resource limitations associated with SME's indicate the dimensions of quality and time are critical to keep waste low and to ensure high productivity performance is attained. In addition, to remain competitive customer satisfaction of the few customers they have needs to remain high, and they need to demonstrate they can be flexible enough to move quickly to shifting customer needs. They also identified six key areas as critical dimensions of performance within SME's including quality, time, flexibility, finance, customer satisfaction and human resources.

They refer to the balance scorecard from Kaplan and Norton as well as other performance management systems that have since developed. They note that 'these approaches have been designed primarily for use in a medium to large company context' (p1096) and quote Storey's (1994) finding that 'SME's exhibit distinct characteristics that differentiate them from the majority of their larger counterparts' (p1096). Hudson et al refer to other researchers who found that 'there is a distinct scarcity of strategic planning in the majority of SME's' (p1098). They refer to Ghobadian and Galleary's (1997) study which highlighted the critical issues when developing a new system within an SME. Their main finding was that resource implications (especially management time) led to the implementation process being markedly more taxing for SME's than larger companies, with the flatter structure of

SME's meaning that employees often have a greater number of job roles and more responsibility (p1105).

It appears the process is very different for larger corporations. Neely (1999, p209) quotes Lingle and Schiemann's (1996) study into performance management where they found that 'organisations which are tops in their industry, stellar financial performers and adept change leaders, distinguish themselves by having the following characteristics: having agreed upon measures that managers understand; balancing financial and non-financial measurement; linking strategic measures to operational ones; updating their strategic scorecard regularly; and clearly communicating measures and progress to all employees'.

Neely also explores the introduction of quality awards including EQFM (European Foundation for Quality Management). In order to meet EQFM companies have to satisfy at least 6 categories within 10 separate sections. He notes that critics of these awards comment that the application process makes them unsuitable for smaller companies or organisations with limited slack resource. This would indicate that almost 2 tiers of performance and quality management exist, separating large organisations with the available resource to pursue these standards and awards versus SME's whose focus is on retaining their client base through offering flexible solutions.

Hudson et al (2001) developed a gap analysis of SME PM systems versus the typology and it can be argued that the theoretical model on the left are all the attributes that would be expected of a large corporation.

Table 7 - Gap analysis of SME PM against the typology

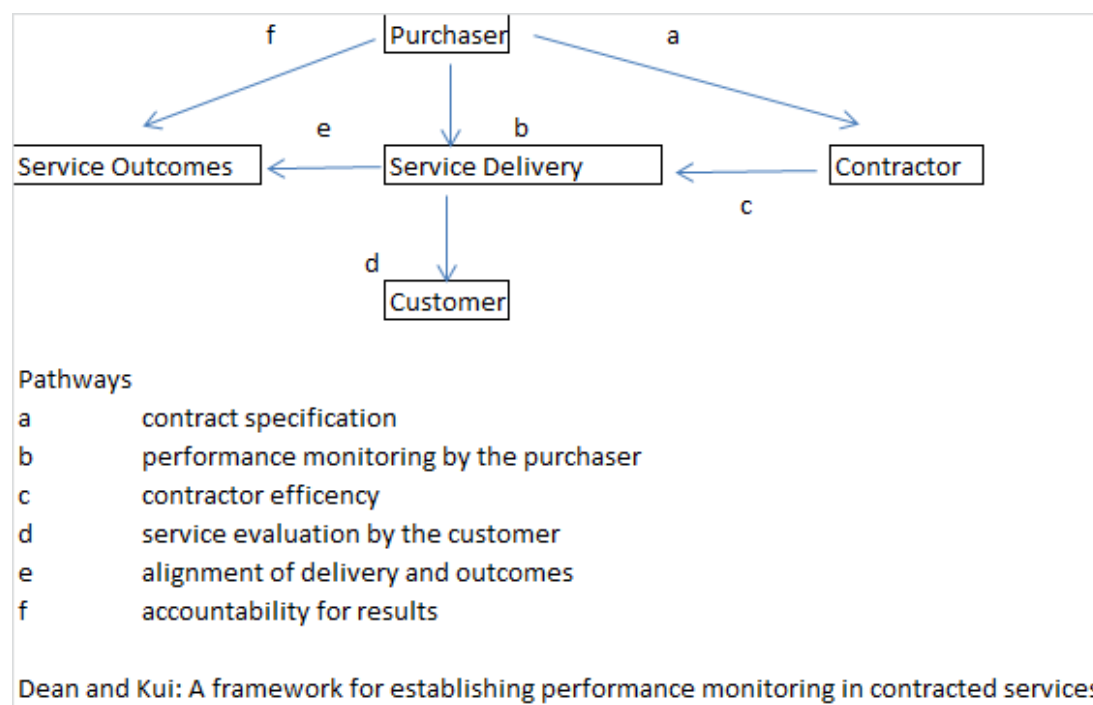
Theoretical model	SME PM system characteristics	Gaps
The strategic PM development process should	Performance measures in SME's are developed:	x
Evaluate existing PM system	With little reference to any existing measures in place	x
Enable strategic objective identification	With no reference to strategy	x
Enable performance measure development	In an ad-hoc fashion by individual managers/staff	x
Provide a maintenance structure	Without deleting obsolete measures	
Involve key users	By managers, occasionally staff and customers	
Have top management support	With management support	
Have full employee support	With a lack of employee understanding of new measures	x
Have clear and explicit objectives		x
Have set time scales		x
Measures in a strategic PM system should be:	SME performance measures are:	
Derived from strategy	Not strategic	x
Clearly define/explicit purpose	Often unclear with complex or obsolete data produced	x
Relevant and easy to maintain	Historically focused with some outdated measures	x
Simple to understand and use	Small numbers of simple practical	

	measures	
Provide fast, accurate feedback	No formal feedback with non-specific informal feedback	x
Link operations to strategic goals		x
Stimulate continuous improvement		x
A strategic PM system should measure:	SME PM systems measure:	
Quality	Quality	
Flexibility		x
Time	Time	
Finance	Finance	
Customer Satisfaction	Customer satisfaction	
Human Resource	Human Resource (v limited)	x

This is relevant to the study as Phonetic work with a blend of large corporations as well as SME's. Phonetic themselves are an SME with less than 100 employees and as a result this will be considered when examining the impact that performance management has on the outsourced contract relationship.

Dean and Kui (2001) created a framework for establishing performance monitoring in contracted services which links the relationship between purchaser, contractor and customer and within that the impact on service delivery and service outcomes. A number of elements from this framework have contributed to the author's conceptual framework.

Figure A – A framework for establishing performance monitoring in contracted services (Dean and Kui, 2001)



This table shows the relationship between the outsourcer (contractor in this model), the company they are providing services for (purchaser in this model) and the person/company called (customer). It separates out what the outsourcer actually delivers (service delivery) compared to what they should deliver (service outcomes) and the feedback loop to the purchaser which then in turn affects the contract specifications which could be adjusted based on the service outcomes. However, it does not fit perfectly – in this study, the ‘customer’ is actually a prospect and rarely do clients or outsourcers contact prospects directly for feedback after a call has been made unless an appointment or sale is made. This model assumes service is linked to customers only, so does not match business to business outbound calling for lead generation precisely.

2.5 Quantitative vs qualitative measures

Whilst performance management principles and processes can be applied across numerous sectors, the call centre industry struggles to find a balance between the importance assigned to qualitative and quantitative measures. Numerous studies explore this area within Robinson and Morley's (2006) paper. The authors acknowledge the quality vs quantity dilemma that Taylor and Bain (1999) identified. They refer to Bain et al's (2002) study of four call centres in Scotland where 'target setting was virtually institutionalised in call centres' (p286, Robinson and Morley 2006) targeting 'hard' and 'soft' measures. Wallace et al (2000, in Robinson and Morley 2006) note that in a call centre the tension between efficiency and service is more conspicuous than in most other service delivery channels' (p286), finding that most performance objectives and performance management programs were weighted towards numerical quotas. However, they also found that one of the few predictors of long term profitability was a high level of customer service, not necessarily high levels of efficiency. Robinson and Morley's (2007) study supported Houlihan's 2006 argument that 'call centre managers face a key dilemma in managing the contradictory imperatives of efficiency and service quality' (p259). Deery et al (2002) also refer to the fact that whilst employees are monitored for service quality there is normally greater pressure placed on productivity. These create role conflict for employees and impede their ability to provide high quality service. Banks and Roodt (2011) also refer to numerous researchers who have investigated the conflicting nature of call centre objectives, suggesting that the 2 objectives of efficiency and quality are contradictory.

Robinson and Morley (2006) found that when call centre managers were asked which KPI (key performance indicator) was checked first on returning to the call centre after a break, it was always a quantitative one such as number of calls answered. This was despite 89% of organisations having a service charter or mentioned customer service in its mission statement. They found considerable time was spent analysing reports and creating reports on their team's performance to

senior management. The heavy reliance on KPI's supports Knights et al's (1999) finding (in Robinson and Morley 2006) that 'where qualitative KPI's had been introduced in an effort to address service quality issues, quantitative KPI's quickly overwhelmed them in response to any decline in the call centre's productivity' (p294).

Robinson and Morley (2007) recognise that even before call centres existed, many of the issues confronting them were identified by Edwards (1984). Using a Marxist framework, Edwards argued that the conflict between capitalists and workers existed with the aim of capitalists to minimise the unit cost of production with employees seeking to oppose this, resulting in conflict over how work is organised and the pace at which it is completed.

Neely (1999, p214) acknowledges that 'businesses today...have to strive to continuously to deliver products and services which are of ever greater value to their customers, at even lower costs'. He discusses how de-regulation of markets inevitably means the creation of regulators to ensure the businesses operating within these arenas are achieving certain performance standards – for which companies have to submit detailed reports on a regular basis (e.g. FCA in the context of this study). Therefore the creation of a regulator shapes the critical performance standards a company measures internally and puts at the top of the agenda, and that this ultimately shapes the behaviour and culture of the business by putting these aspects as the most important to measure and meet. Robinson and Morley (2006) also consider the notion that call centres measure what is easy to measure rather than what is important to measure and this can be true in the context of regulated business. They refer to Frenkl and Donoghue's (1996) study of a US call centre where there was a misalignment between the aspired high performance standards and the reality that workers were caught between the needs to deliver quality customer service and maintain productivity.

Banks and Roodt (2011) found that the 3 highest weighted KPI's allocated to call centre managers were quantitative, with only 15% reporting a qualitative indicator as the most important to them. As with the Robinson and Morley study, they found the first thing checked when they had been away from the office was a quantitative measure (calls answered). However the managers identified qualitative measures as critical for the success of the call centres. Banks and Roodt concurred that the quality and efficiency debate is still current and managers struggle to balance these measures.

The fact that so many areas of a business can be measured means that this becomes the norm. Reports that were insightful 20 years ago have been replaced by more in-depth analysis, yet the original reports still stay, meaning the 'suite' of areas to measure simply increases. Robinson and Morley (2006) describe this as an 'insatiable appetite for performance measures...creating a cycle which shows little sign of being interrupted' (p295). Banks and Roodt (2011) refer to Kaplan and Norton's (1992) phrase that 'what you measure is what you get' and suggested that organisational measures strongly influence the behaviour of employees. They conclude that managers attempt to focus on the quality of interactions but efficiency measures ultimately determine their success.

Dean and Kiu's (2001; p407) research concludes 'that organisations do believe performance monitoring is related to quality outcomes'. They suggest that the rigour and frequency of performance monitoring are important and highlight the business imperative for value. They conclude there is a misalignment between how organisations measure performance and what they suggest are the best approaches. Respondents noted the difficulties in measuring and monitoring such performance indicators but that there was a strong link between performance monitoring and quality outcomes.

2.6 Employee engagement and performance management

A key influencing factor in the measurement of performance and achievement of results and quality is how the quality and monitoring process is presented to the employees who are delivering the calls. The monitoring process is a highly contentious one with divided opinion on whether it empowers or demotivates employees.

There are numerous studies on how performance management impacts on employee engagement, health and wellbeing and the psychological contract, some of which are listed below.

Table 8 – A summary of the opposing views of researchers into employee engagement and performance management

Positive	Negative
Holman, 2002	Houlihan 2000
Grant and Higgins, 1998	Holdsworth & Cartwright 2002
	Knight and McCabe 1998
	Deery et al 2002

Robinson and Morley (2007) found that 91% of their 130 respondents used call monitoring within their call centre and 58% of these used call monitoring, customer surveys and wait times as measurements of their call centre's customer service standards.

Holman (2002) reviews the benefits and disadvantages of performance management when he assesses employee wellbeing in call centres. He notes the aim of performance monitoring is to meet the prescribed technical and social performance standards. However he notes that this can be done in a punitive manner or as part

of a wider development system of training, coaching and performance development (quoting Staton, 2000).

Holman's study examined the relationship of call centre practices (job design and monitoring) to employee wellbeing and found job control has a positive association with wellbeing, but that a high level of monitoring has a negative association. He reports similar findings from Chalykoff and Kochan's (1989) study which suggested excessive monitoring may have the opposite effect on performance to the one intended. In summary, Holman found that having high control over work methods and procedures, a low level of monitoring and a supportive team leader have the most significant effects on employee wellbeing. Deery et al (2002) also agree that employees with a supportive team leader experience lower levels of absenteeism and emotional exhaustion.

Chalykoff and Kochan (1989) acknowledge the benefit that providing feedback brings to the customer satisfaction within the organisation and found that the approach taken by their supervisors to call monitoring made all the difference in how it was perceived and received. They observed that a 'monitoring and evaluation process has both control and feedback characteristics and the responses of employees will differ depending on whether control or feedback dominates the monitoring process' (p812). Their conceptual model is a good summary of all the employee engagement issues facing call monitoring, almost 25 years on. They acknowledged that many variables are significantly related to satisfaction with monitoring including immediacy of feedback, supervisory expertise, clarity of rating criteria and supervisory consideration behaviour. They found satisfaction with monitoring itself had a significant influence on job satisfaction and 'for a large portion of employees, the negative impacts of monitoring can be mitigated by managerial attention to good principles of performance appraisal and feedback' (p826).

Grant and Higgins (1989, in Holman, 2002) argue that employees benefit from performance monitoring as it enables them to improve their performance and

develop new skills. They assert employee wellbeing is improved as employees improve and subsequently so does their morale, and in turn their future performance. Chalykoff and Kochan (1989) discovered that immediacy of feedback, the use of constructive feedback and the clarity of the rating criteria were all positively related to satisfaction with the monitoring system, which in turn related to job satisfaction. Holman also quotes Frenkl et al's (1998) finding that call centre employees generally accepted electronic monitoring when they could see its place within a broader system of appraisal and development. Holman concludes that if performance monitoring is used developmentally rather than punitively it is positively associated with wellbeing. However if performance monitoring is excessive and too frequent it will have a negative association with wellbeing. This view is reinforced by Baat (2002, in Robinson and Morley 2007) who show that designing work to allow for the use of individual discretion and learning do have positive impact on sales, whereas selective hiring of skilled or educate employees had no effect. Therefore the development and nurture of people within organisations is key to results and retention.

Taylor and Bain (in Robinson and Morley 2007) argue against the 'sweatshop' and 'assembly line' claims made by Fernie and Metcal (1998) with 3 key defences;

Table 9 – Defences of performance management (Taylor and Bain)

1. Whilst analysis does take place of call statistics, generally the aim of any resultant coaching and training is to improve the process in the future and this feedback is delivered with human contact
2. That more experienced agents are able to deduce when they are being observed and monitored through changes in supervisor behaviour, meaning that managerial power is not complete
3. In cases where disgruntled employees gather momentum, work practices do generally change

Deery et al quote Wharton's (1993) research showing that jobs involving emotional labour did not uniformly have negative consequences and the incidence of emotional exhaustion was influenced by job autonomy, opportunities for self-monitoring, length of tenure and working hours.

However, some studies acknowledge the downside of performance management techniques within call centres.

Table 10 – Studies demonstrating negative instances of performance management

Author	Observation
Houlihan (2000)	Active avoidance and resistance of prescribed work methods with agents editing scripts, avoiding calls or withholding service
Knights and McCabe (1997)	Employees cutting customers off and being economical with the truth. Recognition that 'as employees resist it leads management to develop new tighter regimes of control and so the cycle continues' (p188)
Robinson and Morley (2006)	Refer to the Australian Council of Trade Union in their 2007 paper who claim that when call monitoring is used excessively or abused by management it is a significant source of stress and often seen as undermining employees self-respect

Knights and McCabe (1998 p187) acknowledge that new technology is capable of increasing surveillance over how many tasks are performed and the time taken to perform them, but it is not capable of revealing whether employees are cheating the system. This is a pertinent point as even if a client requires a certain number of calls be listened to a month per agent, the percentage is so low (e.g. 10 decision maker

calls a month from 600 decision maker contacts) that the likelihood of a 'wrong' one being monitored is extremely low.

Holdsworth and Cartwright (2002) found that empowerment of agents within a call centre environment seems to have direct relationship with job satisfaction. They found that competence was not found to have any significant links with sources of stress, job satisfaction and health confirming previous studies by Thomas and Tymon (1994) and Siegall and Gardener (2000). They found that customer service agents (CSA's) perceived themselves to be less empowered than other workers in an office environment and concluded that self-determination (the belief that one has autonomy or control over how one works) is not part of the role of the CSA. Siegall and Gardner (2000) explored employee empowerment and competence (measured by the person's ability in their ability to do their job, self-assurance to perform work activities and sense of mastery regarding necessary job skills). They observed that 'in order to act empowered, they need to feel empowered and that perception is affected by organisational context' (p715).

Deery et al (2002) describe service settings where the agents are required to comply with desired standards which create a consistent and positive impression for customers, described as 'smiling down the phone' (Belt et al, 1999 in Deery et al) and 'the commoditization of emotions' (Gordon (1989) in Deery et al, 2002, p472). They explore the emotional exhaustion that comes from this approach and claim 'call centre workers have lost a large measure of control over their self-presentation to customers (p473) and found that employees who disliked continuous monitoring of their performance experienced higher emotional exhaustion.

In pursuit of these management goals there is often little room left for learning – as Houlihan observes, when all processes are formalised, there is no space for 'slack' in the system but without this slack there is no space for learning – and a fundamental principle of learning is the ability to identify, build and retain organisational knowledge.

There are further studies on the psychological contract and performance management (Stiles et al 1997) – the psychological contract being defined as ‘the set of reciprocal expectations between an individual employee and the organisation’. Stiles et al acknowledge Robinson and Rosseau’s 1994 observation that organisations are faced with new competitive conditions and have to cope with dynamic environments which puts organisations and psychological contracts in transition. However, they also acknowledged Storey and Sission’s (1993, p63) finding that ‘perceptions of fairness in the reward process are crucial if rewards are to act as a major motivator for employees and are central to the psychological contract’. Stiles et al’s (1997) study observed that changes in the performance management systems made their employment relationship more transactional if these were perceived negatively by employees.

2.7 Conceptual Framework

The conceptual framework draws together all the elements explored within this literature review. The hypothesis is that a number of key elements all contribute to the call quality measures that Phonetic put in place for their client campaigns, and also that Phonetic’s clients put in place for their own internal teams. This study is primarily focused on what is monitored and why, as opposed to employees acceptance of the monitoring methods, which could be a completely separate study in it’s own right and would deviate this study from it’s core purpose – exploring the call quality and compliance standards required by a client organisation and it’s outsourcers, and the process by which that organisation assesses what standards are required to be met.

Table 11 - Areas for investigation within the Conceptual Framework:

Pathway	Area for exploration
Performance Management	Understand the methods employed by the client to monitor the quality of the outsourcers calls (and the frequency of use of these methods). Establish how the outsourcer ensures they are fulfilling the quality assurance and performance element aspects of the contract (should one exist and have a call quality element to it).
Qualitative vs quantitative targets	Understand what qualitative and quantitative targets exist and the importance assigned to these.
Size of organisation	Understand the size and ownership structure of the organisation and examine whether this is linked to whether a contract exists and what performance measures are in place.
Contractual status	Investigating if a contract exists and if it does not what impact that has on FCA responsibility and performance management processes. Assessing who is responsible for the design and maintenance of quality monitoring systems within the contract. Understand how the client checks that this is fulfilled. Examine what is in the contract versus informal expectations. Investigate who is responsible for the compliance of the calls made (outsourcer or the client).
Employee acceptance	Explore the type and regularity of call monitoring within the clients organisation and how this is fed back to team members.
Call Quality measures	Assess what feedback is provided by the outsourcer and/or client that can refine the process, add value to the performance monitoring and increase the customer experience. Understand if this shapes changes to the performance monitoring process in the future and how this impacts on efficiency measures versus quality measures.

Figure B – Conceptual Framework



Chapter 3 – Research Methodology

3.1 Introduction

This chapter will explore the various philosophies that research students need to consider when starting a study. A review of these research philosophies is presented and the appropriate one selected and justified. The benefits and drawbacks of each type of research strategy are analysed leading to the selection of a method for this study. Consideration is then given to the most appropriate research tools that will answer the original research objectives. The selection and justification of the methods chosen is discussed. These are secondary data analysis, self-completion questionnaires and semi structured interviews. These were considered the most appropriate tools in order to understand what is measured currently in Phonetic and the client organisation; also to understand current practice within client organisations and how they manage the amount, type and volume of call and quality monitoring within Phonetic. The combination of these three methods should answer all the questions posed by the research question and objectives in order to achieve triangulation.

3.2 Research Philosophy

Research philosophy is considered critical in defining which research strategy should be adopted. The key research philosophies fall into three broad categories, referred to as positivism, interpretivism and realism.

3.3 Positivism

The positivist approach assumes that results are replicable and works well in settings where key laws or assumptions can be applied. It involves highly structured methods, usually linked to rules that can be tested and re-tested with complete independence. It is appropriate for situations where something concrete can be

tested, the variables can be controlled and the researcher is completely independent of the outcomes.

3.4 Interpretivism and Social Constructionism

The opposing ontology to positivism is interpretivism, which allows a greater exploration of context specific research where varying factors may be different and researchers are not bound by the strict conventions of positivism. Advocates argue that ‘rich insights into this complex world are lost if such complexity is reduced entirely to a series of law-like generalisations’ (Saunders et al, 2003, p84).

Critics of interpretivism argue that the process can diminish the value of ‘generalisation’ making it less valuable if businesses are changing so quickly that any lessons from this method are too quickly out of date.

Social constructionism is an extension of interpretivism where the role of the researcher is to understand the subjective reality of those they study so they can understand and interpret the research participant’s motives, actions and intentions. Easterby-Smith et al (2008, p59) table the contrasting implications of these two methods, showing the stark differences in the approaches:

Table 12: Contrasting implications of positivism and social constructionism

	Positivism	Social Constructionism
The observer	Must be independent	Is part of what is being observed
Human interests	Should be irrelevant	Are the main drivers of science
Explanations	Must demonstrate causality	Aim to increase general understanding of the situation
Research progresses through	Hypotheses and deductions	Gathering rich data from which ideas are induced
Concepts	Need to be defined so that they can be	Should incorporate stakeholder perspectives

	measured	
Units of analysis	Should be reduced to the simplest terms	May include the complexity of 'whole' situations
Generalisation through	Statistical probability	Theoretical abstraction
Sampling requires	Large numbers selected randomly	Small numbers of cases chosen for specific reasons

3.5 Realism and relativism

Realism attempts to balance both the independence of positivism and the social construct approach of interpretivism. Because of its recognition that data will be analysed as well as personal opinion sought and interpreted it is often a method used by business and management research especially in the case study environment where businesses are constantly evolving and changing.

Easterby-Smith et al (2008, p62) quote Collins (1983) who asserts that the relativist position assumes that different observers may have different viewpoints and that 'what counts for the truth can vary from place to place and from time to time'. They note that realists accept that once scientific laws are discovered they are absolute and independent of further observations. However the relativist position goes a stage further in suggesting that scientific laws may be accepted as 'truth' after debate and discussion that may be influenced by certain protagonists, business, commercial or political influences (Easterby-Smith et al, 2008, p61).

3.6 Appropriateness of research philosophies

Easterby-Smith et al (2008) identified the strengths and weaknesses of each approach, highlighting that no one approach is right for each situation and the most appropriate method can only be selected when it is clear to the researcher the direction in which the study is going in.

Table 13: Strengths and weaknesses of different epistemologies (Easterby-Smith et al, 2008, p73)

	Strengths	Weaknesses
Positivist	Can provide wide coverage	Inflexible and artificial
	Potentially fast and economical	Not good for process, meaning or theory generation
	Easier to provide justification of policies	Implications for action not obvious
Relativist	Accepts value of multiple data sources	Requires large samples
	Enables generalisations beyond present sample	Cannot accommodate institutional and cultural differences
	Greater efficiency including outsourcing potential	Problems reconciling discrepant information
Social Constructionist	Good for processes and meanings	Can be very time consuming
	Flexible and good for theory generation	Analysis and interpretations are difficult
	Data collection less artificial	May not have credibility with policy makers

The method adopted for this study was the Case Study, and this will be discussed more in the following section. There are a number of different ontologies that apply to the case study method and Easterby-Smith et al, (2008, p 99) summarise these:

Table 14: Summary of case study ontologies:

	Realist (Yin)	Relativist (Eisenhardt)	Constructionist (Stake)
Design	Prior	Flexible	Emergent
Sample	Up to 30	4-10	1 or more
Analysis	Across	Both	Within case
Theory	Testing	Generation	Action

Yin's realist approach, in response to the criticism from the positivist approach suggests that all case studies should have clear designs produced before any data is collected and that these should cover the main questions or propositions, the unit of analysis, links between data and propositions and procedures for the interpretation of the data.

The relativist approach advocates using designs that are established at the outset but being flexible about their adaptation, recommending data collection using multiple methods and conducting both within case and across case analysis.

Constructionist studies are based on direct observation and personal contacts, usually during interview. They take place within single organisations and the collection of data takes place over a period of time. The unit of analysis is the individual, specific events or strategies employed to transfer or retain control of knowledge (Saunders et al, 2008).

3.7 Philosophy for this study

This study adopted a relativist approach as its population was more than four but less than ten and it required some flexibility during the course of the study as to the methods of interpretation of data collected.

Analysis of the call quality forms included a positivistic element with comparison of key words and phrases as well as call scoring mechanisms. In addition the contracts

were analysed and FCA authorisation was established either with Phonetic or with the client.

The self-completed questionnaire had positivistic elements as the respondents were replying with facts to some questions, such as number of employees in the organisation and how they monitored the quality from Phonetic. However there were interpretivist elements where they were required to give their opinion, such as key measures within their organisation in their view.

Finally the semi structured interview was interpretivist as it involved the author asking the respondents to give their opinion on various elements such as brand, interpretation and quality.

Consequently, as elements of both positivism and interpretivism are present, realism was the philosophy adopted here.

3.8 Research Strategy

There are many types of research strategies that can be employed when conducting investigations. The below table summarises them, the context in which these methods should be used and the type of data collection methods which are appropriate (interpreted from Saunders et al, 2003). Each one is appropriate in different circumstances and selecting the appropriate one is crucial before continuing onto the research methods required. Saunders et al (2003) note that the choice of research strategy is guided by the research objectives, and whether it will enable them to be addressed.

Table 15: Types of research strategy

Research strategy	Data collection methods	Context in which used
Surveys	Data often obtained using questionnaire but also structured observation and interviews	When a large amount of data is required to be collected and analysed
Case Study	Various data collection methods including questionnaires, observation, interview and documentary analysis	Where an investigation is required within a real life context using multiple sources of evidence
Grounded theory	Observations, leading to predictions which are further tested through observation.	Theory building, where initial observations produce theories which are tested through further observation
Ethnography	Participant observation	Where the social world the subjects inhabit needs to be observed over a long period of time
Action research	A wide variety of methods including observational research, questioning, surveys and even lab experimentation	Where there is a focus on change in an organisation and monitoring and evaluating employees within that organisation

A case study design was selected to allow the study of one organisation (and its clients) and a combination of quantitative and qualitative collection techniques was used (multi methods) to achieve triangulation. When conducting case study research design Yin (1994) asks the reader to consider four problems; what questions to study, what data are relevant, what data to collect and how to analyse the results (Yin, 1994, p20).

Case study design is appropriate as the study is based around the call quality requirements of clients of Phonetic Limited, a single organisation (and its clients) based in Macclesfield, Cheshire. As only eight clients were involved then the Survey method is not appropriate although this may have been with a higher number of participants. Grounded theory, Ethnography and Action Research were all not relevant as the study relates to a specific investigation around call quality and monitoring and the contexts in which these methods are used is not applicable or valid in this case. 'A case' is defined by Gillham (2003) as being

- A unit of human activity embedded in the real world
- Where it can only be studied or understood in context
- Something that exists in the here and now
- Which merges with its context so precise boundaries are difficult to draw

Robson (2002) defines a case study as 'a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence' (quoted in Saunders et al, 2003, p178). The case study design is positioned in-between the two extremes of positivism and interpretivism. Morris and Wood (1991) believe this method should be used 'if you wish to gain a rich understanding of the context of the research and the process being enacted' (Saunders et al 2003, p93).

Collis and Hussey (2003) note case studies are often described as exploratory research, used in areas where there are few theories or a deficient body of knowledge. Scapens (1990) in Collis and Hussey (2003, p 68) breaks the case study down further into 4 different types:

Table 16: Characteristics of types of case studies

Type of case study	Characteristics
Descriptive	Where the objective is restricted to describing current practice
Illustrative	Where the research attempts to illustrate new and possibly innovative practices adopted by particular companies
Experimental	Where the research examines the difficulties in implementing new procedures and techniques in an organisation and evaluating the benefits
Explanatory case studies	Where existing theory is used to understand and explain what is happening

This study is an example of an exploratory case study as it is exploring an area that, to the author's knowledge, has not been explored in any detail in the current literature.

Yin (1994) believes the case study is the method of choice when the phenomenon under study is not readily distinguishable from its context. He also discusses how using multiple sources of evidence strengthens case studies and this evidence can come from six sources. Their strengths and weaknesses are listed below (Yin, 1994, p80):

Table 17: Strengths and weaknesses of case study evidence (Yin, 1994)

Source of evidence	Strengths	Weaknesses
Documentation	<ul style="list-style-type: none">• Stable – can be reviewed repeatedly• Unobtrusive – not created as a result of the case study• Exact – contains exact names, references and details of an event	<ul style="list-style-type: none">• Retrievability – can be low• Biased selectivity if collection is incomplete• Reporting bias – reflects (unknown) bias of author

	<ul style="list-style-type: none"> • Broad coverage – long span of time, many events and many settings 	<ul style="list-style-type: none"> • Access – may be deliberately blocked
Archival records	<ul style="list-style-type: none"> • (Same as above for documentation) • Precise and quantitative 	<ul style="list-style-type: none"> • (Same as above for documentation) • Accessibility due to privacy reasons
Interviews	<ul style="list-style-type: none"> • Targeted – focuses directly on the case study topic • Insightful – provides perceived causal inferences 	<ul style="list-style-type: none"> • Bias due to poorly constructed questions • Response bias • Inaccuracies due to poor recall • Reflexivity – interviewee gives what interviewer wants to hear
Direct observations	<ul style="list-style-type: none"> • Reality – covers events in real time • Contextual – covers context of event 	<ul style="list-style-type: none"> • Time consuming • Selectivity – unless broad coverage • Reflexivity – event may proceed differently because it is being observed • Cost – hours needed by human observers
Participant observation	<ul style="list-style-type: none"> • (same as for direct observations) • Insightful into interpersonal behaviour and motives 	<ul style="list-style-type: none"> • (same as for direct observations) • Bias due to investigators manipulation of events
Physical artefacts	<ul style="list-style-type: none"> • Insightful into cultural features • Insightful into technical operations 	<ul style="list-style-type: none"> • Selectivity • Availability

The first three are being used in this study through questionnaires, call quality forms and contracts and semi-structured interviews. It is also vital to identify the boundaries of the study, as multiple methods and perspectives with a potentially unlimited time duration can distract the researcher.

Data Collection Instruments

3.9 Method 1 - Secondary Data

Saunders et al (2003) identify secondary data as information gathered or created in the past for some other purpose.

Data for this study are documentary data. They are:

- the call quality forms used by Phonetic
- the call quality forms used by Phonetic's clients
- the contract or form of agreement in place between Phonetic and the client

Advantages of using secondary data include cost and time savings, potentially high quality data, the opportunity for longitudinal, subgroup/subset/cross-cultural analysis and more time for data analysis (Bryman and Bell, 2007). However, factors that need to also be considered include a lack of familiarity with the data, their complexity and the lack of control over the data quality at the time it was collected.

The data is 'internal' secondary data where it exists within an organisation already. Lancaster (2005) states the benefits of internal secondary data are that they are more focused and pertinent to the particular organisation and confidentiality is less of an issue. He also references Stewart (1984) on p92 who proposes a common set of criteria when evaluating secondary data. This has been used to explain the source of the secondary data analysed and its reliability.

Table 18: Evaluation of secondary data (derived from Stewart, 1984)

Area for evaluation (Stewart 1984)	Call quality form (client)	Call quality form (Phonetic)	Contract (Phonetic only)
Methodology	Created by the client	Created by Phonetic	Created by both Phonetic & client
Error/accuracy	Accurate and without error	Accurate and without error	Accurate and without error
Date of data collection	The forms had all been updated in the last 6 months and were being used currently	The forms had all been updated in the last 6 months and were being used currently	The contracts had been created within the last 2 years and were all current
Purpose of data collection	The aim of the forms when created was to analyse call quality, which is what they were being analysed for	The aim of the forms when created was to analyse call quality, which is what they were being analysed for	When the contract was created one of the clauses related to the relationship between the parties and therefore the FCA status
Nature/content of data	Possibility of slight variation in the definition of the terms used compared to Phonetic's forms	Created with the purpose for which it was being used	A jointly agreed contract
Dependability/ source credibility	The form was supplied by the client directly to Phonetic. They created it and own the document	Phonetic created the document and own it	The document was created by both Phonetic and the client

This was chosen as the first method in order for the author to establish the variances in place on Phonetic's insurance campaigns when call quality and compliance is

assessed. This involved analysis by the author only and no participant involvement. Two out of three client organisations (66% response) supplied the forms they use for their own internal teams who perform the same or a similar function (outbound business to business call to generate leads for quotes or appointments). This was considered the most appropriate and relevant data to select for analysis in Method 1. Copies of Phonetic's call quality forms and the client call quality forms are in Appendices A to D.

3.10 Method 2 – Self Completion Questionnaire

Saunders et al (2003) use deVaus's 2002 definition where 'each person is asked to respond to the same set of questions in a pre-determined order' (Saunders et al, 2003, p280) and note that the design of the questionnaire needs to ensure that the responses will collect the data required to answer both research objectives and questions.

Table 19 – Questionnaire design consideration and factors

Principles of designing a questionnaire (Saunders et al 2003, p227)	Key aspects of question design for consideration (Lancaster, 2005, p138)
Each item should express only one idea	The range and scope of questions to be used
Avoid jargon and colloquialisms	Question types (e.g. open/closed)
Use simple expressions	The content of individual questions
Avoid the use of negative language	Question structure
Avoiding leading questions	Question wording
	Question order

The author has attempted to follow both sets of guidelines within the questionnaire design. The questions were created in response to the conceptual framework and have not been taken from any other data source. It used both open and closed

questions and a blend of response options including multiple choice, single choice from a list and free text comments boxes. Saunders et al (2003) identify six different kinds of responses including:

Table 20: Types of responses

Response	Used by author?	Why?
List	Yes	Ensures all pre-defined options possible are responded to; allows more than one answer to be selected in appropriate cases.
Category	Yes	In some questions it was appropriate that only one option was selected in order to give a definitive answer.
Ranking	No	The ranking of responses was not appropriate in the questionnaire. The questions were either multiple or individual response from a list of pre-defined services or asked for their individual thoughts. To ask them to rank something may have led to the author making suggestions and leading them, which could affect the validity of the study.
Scale/rating	No	This is more appropriate for collecting opinion data; this questionnaire was more fact finding and establishing what methods were in place with internal and external teams.
Quantity	No	There were two questions that asked about size of client and parent organisation but these were put into categories for ease of analysis and therefore were 'category' questions not 'quantity' questions.
Grid	No	This allows you to record the responses to two or more similar questions at a time. This was not relevant as the questions were all distinct from each other.

It was designed to ask the questions relevant to all clients initially, leading onto questions only applicable to those clients with internal tele-marketing teams. A great amount of attention to detail was given to the construction of the words, ensuring they could not be misinterpreted, and the questions followed a logical natural order.

Each section was introduced with an explanation of the type of questions that were to follow. A copy of the questionnaire issued is in Appendix E.

Easterby-Smith et al (2008, p220) refer to studies that now use web based surveys – this has dramatically reduced the cost of questionnaires, they can be more customised for individual respondents and pop up instructions/drop down boxes can explain areas that may be more difficult to understand. Finally data are downloaded with no risk of data keying errors. This was the method chosen by the author.

Non probability sampling was applicable, that is where it is not possible to state the probability of any member of the population being sampled. Saunders et al (2003) identify that limited resources or an inability to specify a sampling frame may dictate the use of one of more of the following four methods:

Table 21: Types of non-probable sampling techniques (adapted from Saunders et al 2003)

Sampling technique	Description
Convenience	Selecting sample units on the basis of how easily accessible they are
Quota	Divides the population up into a relevant category and selection continues until a specific sample size in each category is found
Purposive	The researcher has a clear idea of what sample units are required and approaches potential sample members to ensure they meet eligibility criteria
Snowball	Starts with someone who meets the criteria for inclusion in a study who is then asked to name others who would be eligible

Convenience sampling and purposive sampling were both appropriate in this case. This is because:

Purposive:

Enables the author to use their judgement and select cases that will best enable them to answer their research question and meet their objectives. This was the case

as the author selected specifically insurance clients who were currently working with Phonetic and were likely to take part in the research.

Convenience:

Involves selecting those cases that are easiest to obtain for your sample. This is prone to bias and influences beyond control, e.g. people taking part because they are open to it, as opposed to being the most appropriate sample. This was the case for the self-completed questionnaires and the semi-structured interviews as the author invited those clients with compliance teams to take part, but not every client that could take part agreed to, meaning there was bias in those that responded to the interview request.

The sample selected was the total population and was all of Phonetic's insurance clients. They were all selected because they were all authorised and regulated by the FCA and outsourced lead generation activities to Phonetic at the time of the study. Whilst they are not representative of all insurance companies or brokers that outsource lead generation activities, they were the total population available to the author at the time of the study.

Due to the small total population the author did not conduct a pilot but approached one specific client for their opinion on the questionnaire before publishing it to that client as well as the seven others for completion. No changes were required as a result.

Feedback from the selected client enabled the author to test whether they fully understood the questions being asked and how likely they were to have the answers to these questions.

3.11 Method 3 – Semi structured interview

Saunders et al (2003, p251) quote Kahn and Cannell's (1957) definition of an interview as 'a purposeful discussion between two or more people'. They believe it is the best approach where there are a large number of questions to be answered, where the questions are either complex or open-ended and where the order and logic of questioning may need to be varied.

Bryman and Bell (2007) note that there are many kinds of interview for the researcher to select from, including structured, standardised, semi-structured and unstructured as well as focused interview, focus group and group interview. The semi-structured interview was selected by the author as the third method. This refers to 'a context in which the interviewer has a series of questions that are in the general form of an interview schedule but is able to vary the sequence of the questions' (Bryman and Bell, 2007, p213). This type of interview allowed to author to explore core themes but expand into other areas if necessary.

The primary aim was to speak to a compliance contact within the author's client's organisations. These took place over the phone and were recorded and transcribed. In designing the core questions for this method (Appendix F) the author considered the responses to and findings from the first two methods. From this came a number of questions that it was felt the compliance contacts could answer, including the importance of call quality and monitoring within the organisation, the interpretation of the FCA guidance and what was monitored internally compared to outsourcers (where appropriate). Questions relevant to all interviewees were asked initially, leading to optional questions further on if applicable given the responses in the interview or from their colleague in the questionnaire. Reliability was also considered and some questions in the self-completed questionnaire were also asked in semi structured interview. This was using the split halves method.

As with the questionnaire, sampling was probabilistic and the convenience and purposive methods were used. The total population encompassed five clients as three clients did not have a compliance contact and the only contact had already answered the questionnaire so it was not appropriate to conduct an interview in addition.

3.12 Cross mapping

A cross mapping matrix has been constructed to demonstrate how each element within the conceptual framework is covered by the research methods selected. This is on the next page.

Table 22: Cross Mapping Matrix

Research methods
Secondary data analysis (SDA)
Self-completed questionnaire (SCQ)
Semi Structured interview (SSI)

	Research Objectives	
Elements of the Conceptual Framework	1. To assess the current interpretation of FCA guidelines by Phonetic's insurance and broker clients into the call quality and monitoring expectations they expect their outsourced partners to meet	2. To investigate any variances found between the standards Phonetic's insurance and broker clients require an outsourcer to meet compared to their internal tele-marketing teams, and the reasons behind this variation in interpretation
Performance management	SDA; SCQ8; SCQ 9; SCQ 17; SCQ 18; SCQ 19; SCQ 20; SCQ 23;	SDA; SSI Q4; SSI Q6; SSI Q7; SSI Q8; SSI Q10
Qualitative vs. quantitative targets	SCQ 9; SCQ 19; SCQ 20; SCQ 23;	SSI Q11
Size of organisation	SCQ 12; SCQ 13; SCQ 14;	Asked in questionnaire but not in SSI of SDA
Contractual status	SDA; SCQ 5;	SSI Q2; SSI Q3; SSI Q5; SSI Q9;
Employee acceptance	SCQ 21; SCQ 22;	SSI Q10
Call quality measures	SDA; SCQ6; SCQ 7; SCQ8; SCQ 10; SCQ 15; SCQ17; SCQ 18; SCQ 21; SCQ 24; SCQ 25	SDA; SSI Q7; SSI Q8; SSI Q10

3.14 Data Analysis Techniques

The data collected includes blend of qualitative and quantitative data and will need to be treated differently when being analysed.

Saunders et al (2003) defines quantitative data as 'numerical' whereas qualitative data is more meaning based. Their table (on p378) summarising the distinction between the two methods is below:

Table 23: Qualitative vs. Quantitative data analysis definition:

Quantitative data	Qualitative data
Based on meanings derived from numbers	Based on meanings expressed through words
Collection results in numerical and standardised data	Collection results in non-standardised data requiring classification into categories
Analysis conducted through the use of diagrams and statistics	Analysis conducted through the use of conceptualisation

Gillham (2003) asserts that case study research is not exclusively concerned with qualitative methods, but that they are primary. He questions 'objective' research methods and hints that due to a controlled method, they are not 'true' in the practice of real life, and that 'objectivity' can ignore data which is important for adequate understanding.

Yin (2003) believes case study research can be qualitative or quantitative. Although the characteristics are opposite ('soft' social science versus 'scientific' data driven outcome orientation) he argues that quantitative research can be 'soft' due to inappropriate numbers and inadequate evidence (Yin, 2003, p33). He asserts that you can place case study research within the framework of the scientific method, with the result not claiming to be scientific but the emulation of the scientific method (Yin, 2003, p163).

Content analysis is appropriate for this research. This is where 'the researcher decides in advance what is being looked for....and then develops frameworks of classifications for assessing the content of the data with regard to these measures (Lancaster, 2005, p162). This involves 'unitising' the data and dividing into units the areas that are to be explored within the research. .

A unit of analysis is defined as 'the kind of case to which the variables or phenomena under study and the research problem refer, and about which data is collected and analysed' (Collis and Hussey, 2003, p68). The unit of analysis was the call quality forms, the responses to the questionnaire issued and the responses to the interviews.

Method 1

The call quality forms will be analysed by looking for patterns and trends in the key phrases used when assessing the quality of agent's calls. Comparisons will be drawn between the scoring criteria used by Phonetic and the criteria used by clients as well as the areas that are assessed.

Contracts will be examined to understand if there is reference within them to who holds FCA authorisation when a call is made.

Method 2

The questionnaire data will be analysed. Mean, median and mode will be assessed to see if there are any trends, patterns, clusters or deviations in existence from the responses given. These will be presented in the form of graphs and bar charts.

Method 3

The interview data will be analysed in a similar fashion although there is more variation in response so key themes will be detected as opposed to concrete responses to questions as in Method 2. As the data in this method is more qualitative than quantitative the following applies:

Table 24: Key steps in analysing qualitative data (Miles and Huberman (1994) in Lancaster (2005):

Stage	Description
Data reduction	Simplifying, identifying and organising the data into clear patterns
Data display	The presentation of the data in ways which enables others to assess interpret and evaluate the interpretations and conclusions drawn by the researcher.
Conclusion drawing and verification	Final conclusions come after complete analysis of the qualitative data and verification involves comparing initial ideas and thoughts with the data

3.15 Reliability, validity and triangulation

A study's findings can be said to be reliable if the research is repeated and similar or consistent results are found. Collis and Hussey (2003, p186) present three common ways of estimating the reliability of the responses to questions in questionnaires or interviews:

Table 25: Reliability methods (Collis and Hussey, 2003)

Method	Description
Test re-test method	Questions are asked of the same people but on two separate occasions. Responses are correlated and the correlation co-efficient are computed.
Split-halves method	Questionnaire or interview record sheets are divided into two equal halves. The two piles are correlated and the correlation co-efficient computed.
Internal consistency method	Every item is correlated with every other item across the entire sample and the average inter-item correlation is taken as the index of reliability.

In this study the split halves method is applicable as the author asked some questions from the questionnaire within the semi structured interview. Although there were different respondents to these two methods, they were both employed by the same organisation and it allowed the author to analyse whether there was similarity or dissimilarity in the responses received from two different individuals.

Reliability can also be achieved by repeating the exercise in the future in order to test whether the same response was received on re-testing. Another way of testing reliability is to run a number of case studies concurrent at the same time with the same questions. In this case this was not possible due to the limited population.

Validity is concerned with ensuring the data collected is an accurate picture of what is being studied. Reliability can be high but if the questions do not measure what was originally intended to be measured then validity will be low.

Yin (1994) discusses four tests which have been designed to establish the quality of research.

Table 26: Types of validity and reliability (Yin 1994)

Test	Key questions	Way of increasing validity
Construct validity	Have the types of changes to be studied been selected, and do the selected measures of these changes reflect the types of change that have been selected?	<ul style="list-style-type: none">• Use multiple sources of evidence• Establish a chain of evidence• Have the draft case study report reviewed by key informants
Internal validity	Can it be proven that all factors have been identified before concluding causal relationships? Are all inferences correct and have other explanations been considered?	<ul style="list-style-type: none">• Pattern matching• Explanation building• Time series analysis
External validity	Are a study's findings generalisable beyond the case study?	<ul style="list-style-type: none">• Replication logic
Reliability	Can the same study be done again with the same results?	<ul style="list-style-type: none">• Case study protocol• Case study database

The author attempted to maximise validity on the questionnaire and the interview as much as possible and this is demonstrated below:

Table 27: Checklist for validity (adapted from Czaja and Blaire (1996) in Collis and Hussey, 2003, p187

Checklist for eliminating questions	Questionnaire	Semi structured interview
Does the question measure some aspect of one of the research questions?	Yes	Yes
Does the question provide information needed in conjunction with some other variable? (If No to 1 & 2, drop the question, if Yes to one or both, retain)	Yes	Yes
Will most respondents understand the question and in the same way? (if No revise or drop, if Yes retain)	Yes	Yes
Will most respondents have the information to answer it? (If No drop, if Yes retain)	Yes	Yes
Will most respondents be willing to answer it? (If No drop, if Yes retain)	Yes	Yes
Is other information needed to analyse this question? (If No retain, if Yes retain only if the other information is available or can be obtained)	Yes – organisation/parent size – but this is obtainable	No
Should this question be asked of all respondents or only a sub-set? (If All, retain, if Only a subset, retain only if the sub-set is identifiable beforehand or through questions in the interview)	Questionnaire is designed so if no internal team the survey is ended at the appropriate point	Certain questions will only be asked of clients with an internal team performing the same function

As the population was so limited, validity was also strengthened by a high proportion of clients taking part in the questionnaire and interview process, rather than a selection of those willing to take part or those the author wanted to take part. Triangulation is where two or more methods are used to verify the quality of the information being collected (Lancaster, 2005). Gillham (2003) discusses how

different methods will have varying strengths and weaknesses in the context of research. He notes that if they do not converge then the researcher must be cautious about basing their understanding on any one set of data.

Easterby-Smith, Thorpe and Lowe (1991) identify 4 different types of triangulation in Collis and Hussey (2003, p78):

Table 28: Types of triangulation

Type of triangulation	Features
Data	Data collected at different times or from different sources in the study of a phenomenon
Investigator	Different researchers independently collect data on the same phenomenon and compare the results
Methodological	Where quantitative and qualitative methods of data collection are used
Triangulation of theories	A theory is taken from one discipline and used to explain a phenomenon in another discipline

This study uses a methodological approach to triangulation as it blends qualitative and quantitative data. The framework in Appendix G presents the advantages and disadvantages of each of the methods proposed and demonstrates that triangulation can be achieved by using these methods in the case study.

3.16 Ethical considerations

There are a number of ethical considerations that relate to this study. All clients are aware they are taking part in the study and have agreed to this. However, confidentiality has been assured by the author so no direct reference to an individual

client organisation should be made, nor should it be clear from any narrative which company that respondent works for.

The storage of confidential data needs to be considered. The author can view individual results via the online questionnaire tool but this data must not be shared in the public domain or amongst any other client. Only the author will have access to this data.

For the semi-structured interviews, clients have agreed to take part in a telephone interview which will be recorded. The author needs to explain that only she will have access to this call recording, that it will be transcribed and analysed and it will be used purely for research purposes.

Form RE1 was completed prior to the start of this study and is in Appendix H. This includes permission from Phonetic's clients to take part in the study. Permission was gained from clients to take part in the research and this is evidence in Appendix I.

3.17 Limitations

The main limitations of this study were:

Table 29: Limitations of study

Limitation	Explanation of limiting factors
Having a maximum of eight clients	This meant sampling options were limited and the author could not pilot the questionnaire as exclusion of one client would mean a reduction of at least 12.5% (potentially more if all eight did not respond).
Having to conduct telephone interviews	Ideally these would be face to face, as the author had not met or worked with the compliance contacts before, and face to face would have increased rapport. However the cost and time constraints meant that phone interviews were the most efficient choice.
Limited call quality sheets to analyse in Method 1	There were only two clients where comparison could take place against Phonetic's internal call quality forms. However

	if all clients forms were analysed, scope creep would occur as many of the clients teams were sales teams and the criteria they are assessed on is different to the function that Phonetic perform for that client.
Unable to pre-test questionnaire or interview (due to limited population)	Feedback from one client on questionnaire (no changes). That client was then included in the study. As did not know any of the compliance contacts for Method 3, this was not pre-tested.

The interpretation of the data by the interviewer (and therefore the reliability of the conclusions drawn) can lead to data quality issues. A lack of standardisation can lead to concerns about reliability, in other words 'whether alternative researchers would reveal similar information' (Saunders et al, 2003, p252). However they point out Marshall and Rossmans's (1999) observation that 'the findings derived from using non-standardised research methods are not necessarily intended to be repeatable' since they reflect reality at the time they were collected, a situation which may be subject to change' (Saunders et al, 2003, p253).

Yin (1994) acknowledges that the case study research method has been stereotyped and cites traditional prejudices as:

1. Lack of rigor (the investigator allowing equivocal evidence or biased views to influence the direction of the findings and conclusions). He argues that bias can also enter experiments and other research strategies as well as case studies, but that in case study research they have been more frequently encountered and less frequently overcome.
2. Provides little basis for scientific generalisation. He asserts that both case studies and experiments are generalisable to theoretical propositions and not to populations or universes....therefore 'the investigators goal is to expand and generalise theories (analytic generalisation) not to enumerate frequencies (statistical generalisation)' (Yin, 1994, p10)

3. Case studies take too long and result in lengthy and unreadable documents.
He suggests that this is a historical criticism and future research can change in its presentation and time span.

Yin acknowledges that the skills required to conduct a case study remain undefined and 'good case studies are very difficult to do' (Yin, 1994, p11).

Chapter 4 – Findings and Analysis

4.1 Introduction

This chapter presents the findings gathered from the selected research methods with specific relevance to the Conceptual framework presented in Chapter 2. In the chapter the findings will be presented by research method, which are secondary data, self-completion questionnaire and semi-structured interview. Analysis will be conducted following the presentation of the findings. The analysis will link back to the each element of the six elements of the conceptual framework and key academic themes presented so far. In addition it will examine the key questions posed within the conceptual framework in Chapter 2. As a commitment to confidentiality was made with all clients, they are referred to with a lettering system from A to H.

4.2 Secondary data results

The data analysed within this method was call quality forms from both Phonetic and clients.

The call quality forms supplied by the client are in Appendices C and D and Phonetic's call quality forms for these clients are in Appendices A and B.

The call quality forms from both clients and Phonetic included key areas of call quality monitoring which fell into distinct categories. These were:

- Welcome/Open the call
- Compliance
- Qualification
- Objection handling
- Soft skills

Clients B and F had internal teams that performed the same function as Phonetic. The author directly compared the Phonetic call quality monitoring form to the clients with the following results:

Table 30 – Client B’s call quality form compared to Phonetic’s for that campaign

Number of call quality checks within this category			
Phonetic area	Phonetic's Client B form	Client B's own internal form	<i>Variation Phonetic to Client B</i>
Welcome/Open the call	3	4	-1
Compliance	4	5	-1
Qualification	6	4	2
Objection handling	3	2	1
Soft skills	5	3	2
Areas on client form not on Phonetic's		15	
Total call quality checks within category	21	33	-12

Table 31 – Client F’s call quality form compared to Phonetic’s for that campaign

Number of call quality checks within this category			
Phonetic area	Phonetic's Client F Insurance form	Client F's own internal form	<i>Variation Phonetic to Client F</i>
Welcome/Open the call	3	3	0
Compliance	2	2	0
Qualification	8	6	2
Objection handling	3	1	2
Soft skills	5	3	2
Areas on client form not on Phonetic's		1	
Total call quality checks within category	21	16	5

It is clear that Client B has a number of areas for monitoring on their call quality form which Phonetic do not have on theirs, and Client F's is much more closely aligned to Phonetic's. Client B is owned by a parent with 20,000+ employees whereas Client F has less than 250 employees, a similar size to Phonetic.

4.3 – Questionnaire results

8 insurance clients completed the self-completion questionnaire. A copy of the questionnaire is in Appendix E. For those clients with no comparable internal team performing the same function as Phonetic, the questionnaire skipped the majority of Section 5 once this was established.

The questionnaire was broken into 6 key areas:

1. Establishing the level of outsourcing and what services were outsourced (Questions 1-4)
2. FCA and compliance responsibility (Questions 5-7)
3. Checking what the outsourcer is measured against and whether that varies from outsourcer to outsourcer (Questions 8-11)
4. Ownership status (Questions 12-14)
5. Internal team performing same function and how they are measured/monitored (Questions 15-23)
6. Amendment of processes and any other feedback (Questions 24-26)

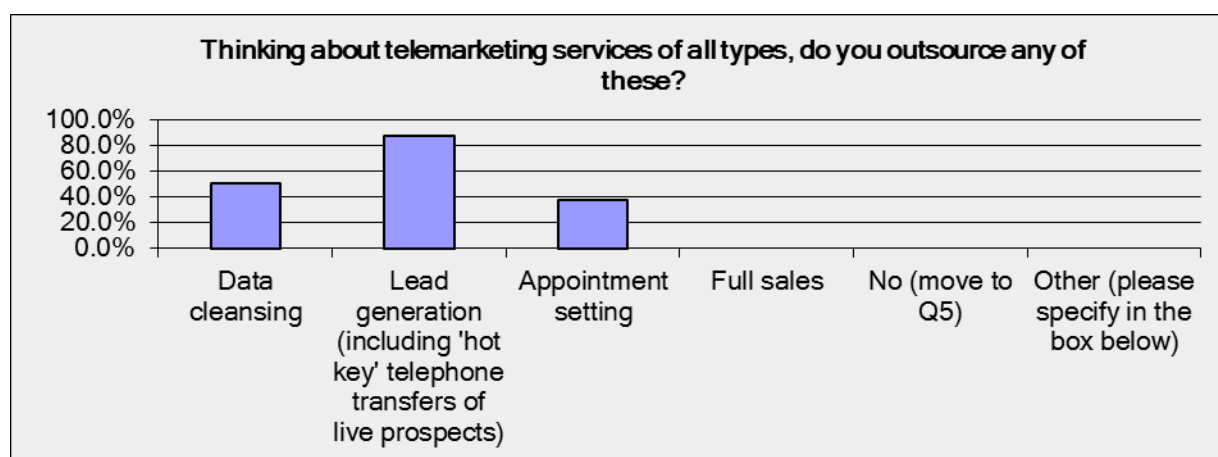
Results are presented by section.

Section 1 - Establishing the level of outsourcing and what services were outsourced (Questions 1-4)

It was apparent that all clients outsourced to Phonetic the services they also outsourced to other providers (if applicable) i.e. they did not outsource services to other outsourcers that Phonetic did not perform. The services outsourced were either data cleansing (50% of clients outsourced these), lead generation (87.5% outsourced) and/or appointment setting (37.5% outsourced).

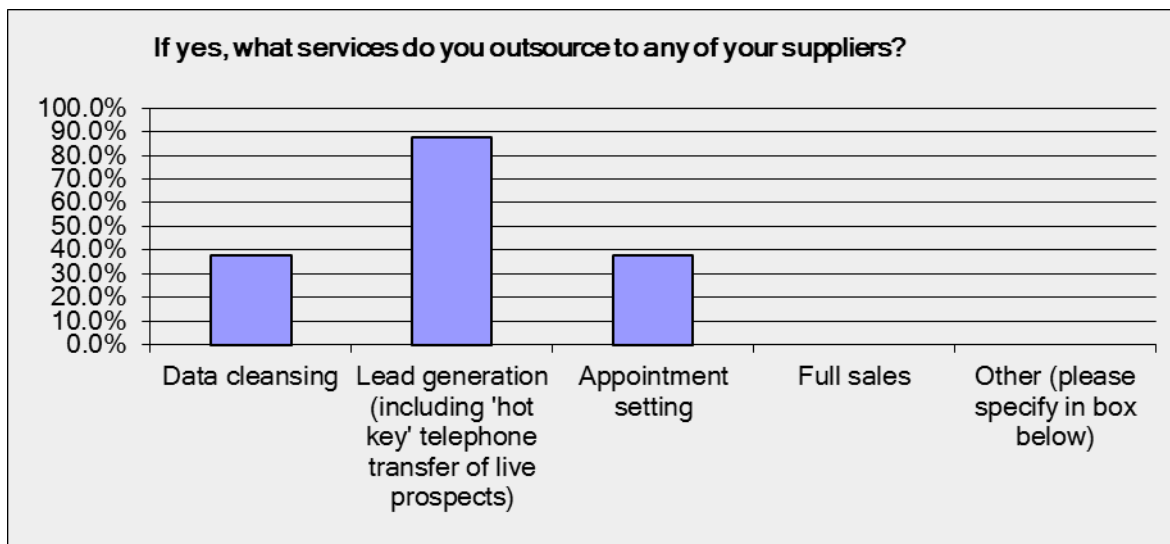
50% of clients outsourced tele-marketing to other outsourcers, 37.5% did not and 12.5% were not sure.

Question 1



Thinking about telemarketing services of all types, do you outsource any of these?		
Answer Options	Response Percent	Response Count
Data cleansing	50.0%	4
Lead generation (including 'hot key' telephone transfers of live prospects)	87.5%	7
Appointment setting	37.5%	3
Full sales	0.0%	0
No (move to Q5)	0.0%	0
Other (please specify in the box below)	0.0%	0
answered question		8
skipped question		0

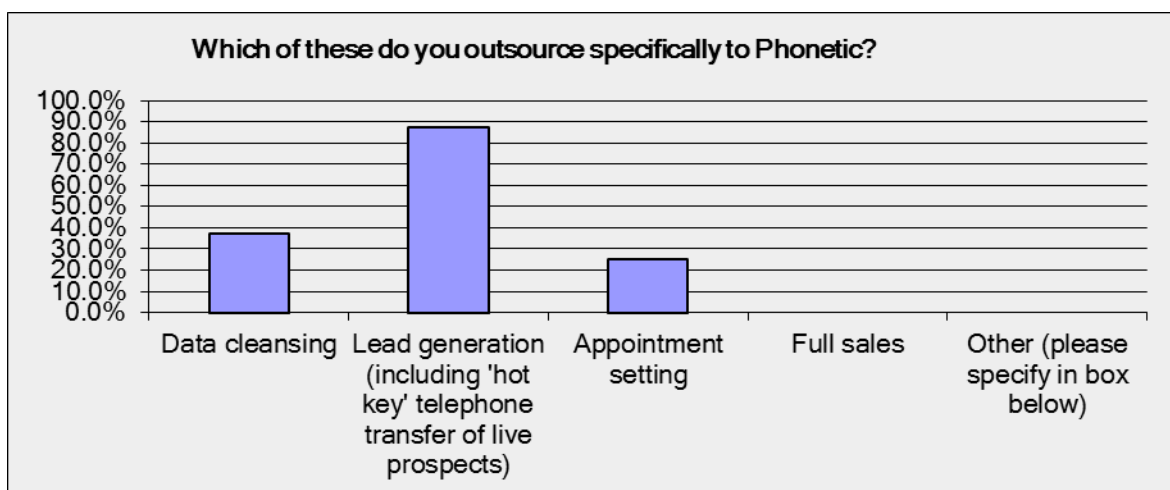
Question 2



If yes, what services do you outsource to any of your suppliers?

Answer Options	Response Percent	Response Count
Data cleansing	37.5%	3
Lead generation (including 'hot key' telephone transfer of live prospects)	87.5%	7
Appointment setting	37.5%	3
Full sales	0.0%	0
Other (please specify in box below)	0.0%	0
.		0
answered question		8
skipped question		0

Question 3

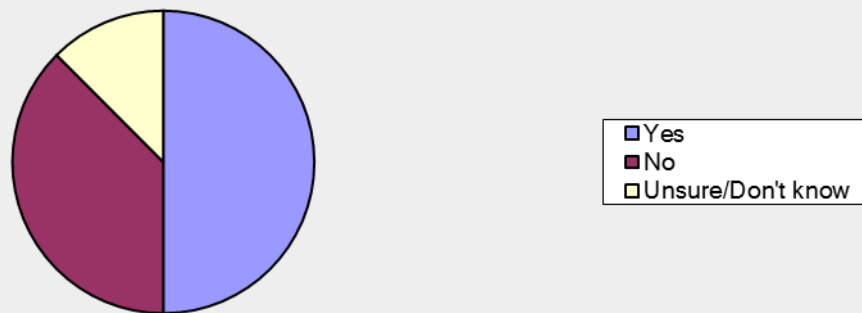


Which of these do you outsource specifically to Phonetic?

Answer Options	Response Percent	Response Count
Data cleansing	37.5%	3
Lead generation (including 'hot key' telephone transfer of live prospects)	87.5%	7
Appointment setting	25.0%	2
Full sales	0.0%	0
Other (please specify in box below)	0.0%	0
.		0
<i>answered question</i>		8
<i>skipped question</i>		0

Question 4

Are you supplied with tele-marketing services from any other outsourcers other than Phonetic?



Are you supplied with tele-marketing services from any other outsourcers other than Phonetic?

Answer Options	Response Percent	Response Count
Yes	50.0%	4
No	37.5%	3
Unsure/Don't know	12.5%	1
<i>answered question</i>		8
<i>skipped question</i>		0

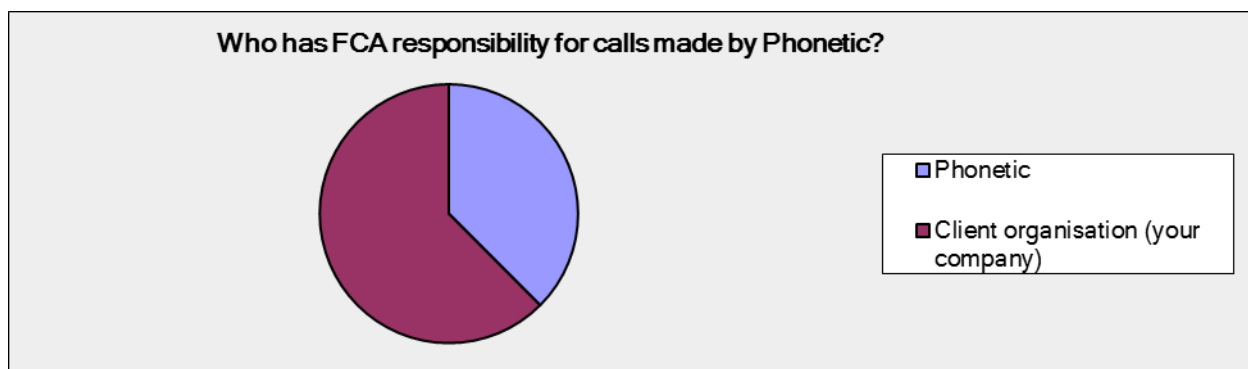
Section 2 - FCA and compliance responsibility (Questions 5- 7)

The aim of this section was to establish who, in the client's eyes, had responsibility for compliance to FCA regulations when calls were being made.

Question 5 brought some unexpected responses from some clients which will be discussed in the analysis which did not match the author's expectations.

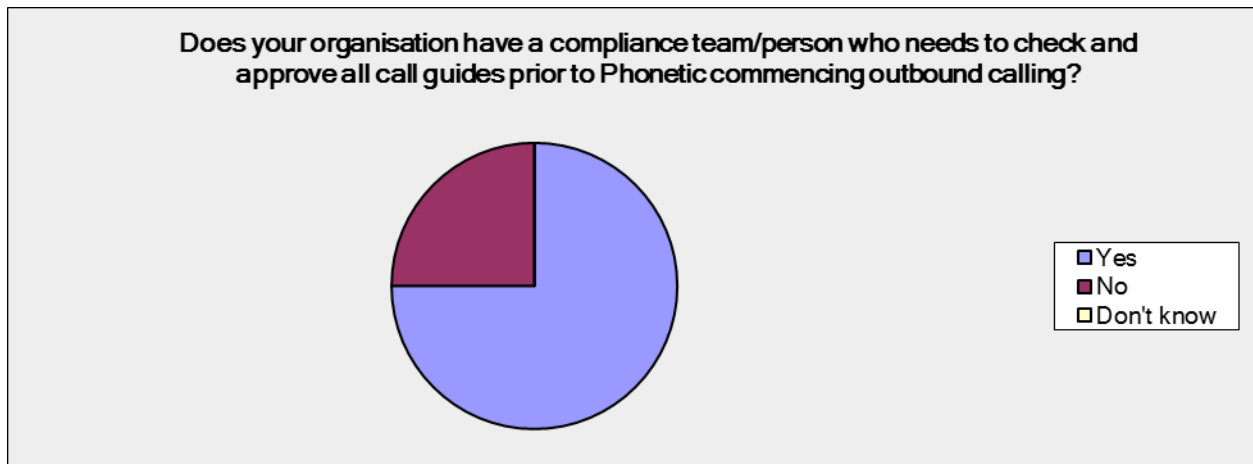
75% of respondents reported that there was a specific person within the organisation who was responsible for checking call guides before any Phonetic calling commenced.

Question 5



Who has FCA responsibility for calls made by Phonetic?		
Answer Options	Response Percent	Response Count
Phonetic	37.5%	3
Client organisation (your company)	62.5%	5
Don't know	0.0%	0
<i>answered question</i>		8
<i>skipped question</i>		0

Question 6



Does your organisation have a compliance team/person who needs to check and approve all call guides prior to Phonetic commencing outbound calling?

Answer Options	Response Percent	Response Count
Yes	75.0%	6
No	25.0%	2
Don't know	0.0%	0
<i>answered question</i>		8
<i>skipped question</i>		0

Question 7

If No/Don't know to previous question, what is the job role of the person responsible for ensuring that your company is satisfied with Phonetic's call guides?

Answer Options	Response Count
	1
<i>answered question</i>	1
<i>skipped question</i>	7

The one response was from Client C and was 'usually a trading and marketing person'.

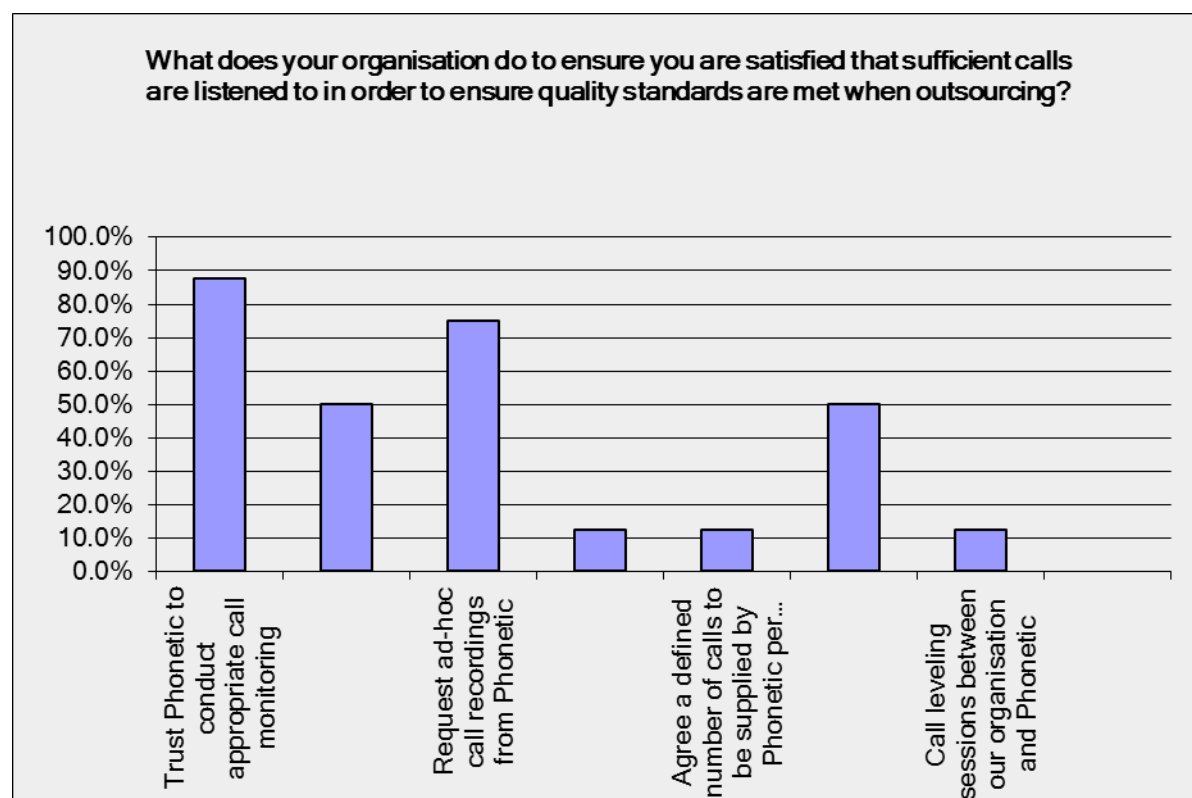
Section 3 - Checking what the outsourcer is measured against and whether that varies from outsourcer to outsourcer (Questions 8-11)

Question 8

Multiple options could be selected here as some clients employ a number of methods when checking the volume and type of call monitoring and compliance within Phonetic.

87.5% of clients trusted Phonetic to conduct the appropriate call monitoring and to back this up, 75% reported they would request ad-hoc call recordings from time to time from Phonetic. In 50% of cases, clients would get feedback on non successful calls or transfers although where Phonetic were only paid on a successful transfer and quote, this was less apparent. Only 1 client (12.5%) had set agreements of calls to be listened to and conducted call levelling sessions.

In 62.5% of cases, clients requested calls to be listened to based on feedback from internal employees. One client only paid on quoted opportunities and another paid all transfers but required feedback on non-quoted opportunities.

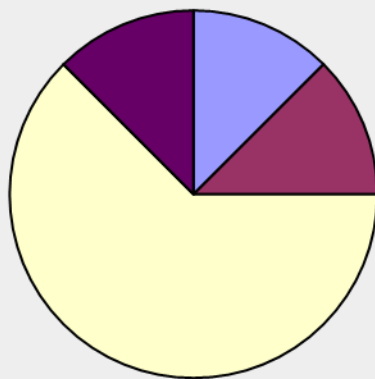


What does your organisation do to ensure you are satisfied that sufficient calls are listened to in order to ensure quality standards are met when outsourcing?

Answer Options	Response Percent	Response Count
Trust Phonetic to conduct appropriate call monitoring	87.5%	7
Listen to calls when visiting Phonetic	50.0%	4
Request ad-hoc call recordings from Phonetic	75.0%	6
Agree a defined number of calls to be listened to by Phonetic per agent per month	12.5%	1
Agree a defined number of calls to be supplied by Phonetic per agent per month	12.5%	1
Get feedback on non-successful calls or transfers	50.0%	4
Call levelling sessions between our organisation and Phonetic	12.5%	1
Other (please specify in box below)	0.0%	0
.		0
answered question		8
skipped question		0

Question 9

What methods do you employ to ensure that Phonetic are meeting your internal targets on the quality of prospects generated?



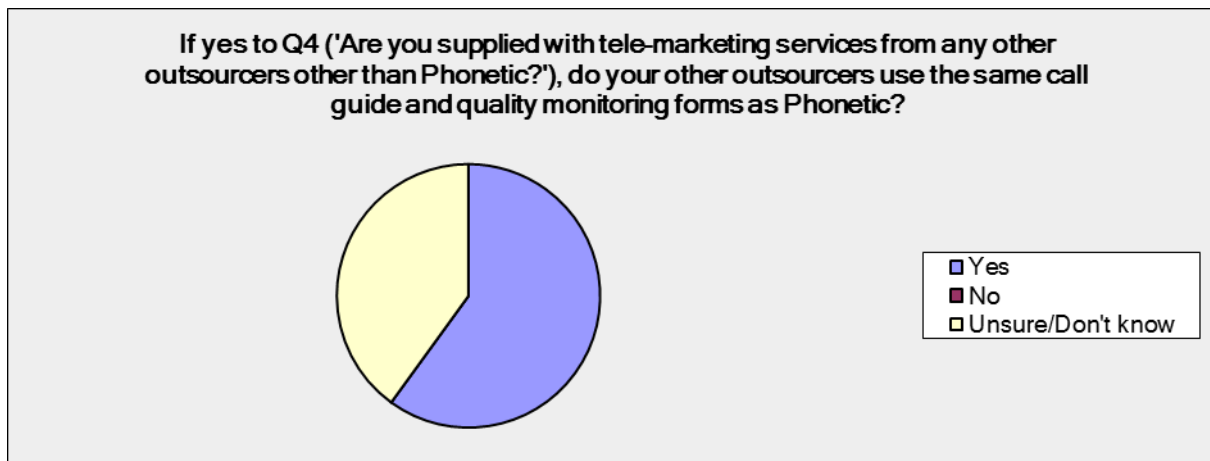
- ☒ We pay on transfers but require feedback on some/all non quoted opportunities
- ☒ We only pay on quoted opportunities
- ☒ We receive feedback from our internal team on the opportunities passed by Phonetic and ask Phonetic to investigate as appropriate
- ☒ We trust Phonetic to conduct call monitoring of key outcomes

What methods do you employ to ensure that Phonetic are meeting your internal targets on the quality of prospects generated?

Answer Options	Response Percent	Response Count
We pay on transfers but require feedback on some/all non-quoted opportunities	12.5%	1
We only pay on quoted opportunities	12.5%	1
We receive feedback from our internal team on the opportunities passed by Phonetic and ask Phonetic to investigate as appropriate	62.5%	5
We trust Phonetic to conduct call monitoring of key outcomes	0.0%	0
Other (please specify in box below)	12.5%	1
.		1
answered question		8

In the majority of cases, clients asked for feedback from Phonetic on specific cases after feedback from their internal team. Again, clients could select multiple options if more than one applied. The one client who responded with 'Other' commented: *'We have a combination of the above however, at present this is not as closely monitored as it should be and will be addressed going forwards with weekly one to one phone calls with our nominated executive'.*

Question 10



If yes to Q4 ('Are you supplied with tele-marketing services from any other outsourcers other than Phonetic?'), do your other outsourcers use the same call guide and quality monitoring forms as Phonetic?

Answer Options	Response Percent	Response Count
Yes	60.0%	3
No	0.0%	0
Unsure/Don't know	40.0%	2
answered question		5
skipped question		3

In 40% of the cases where another outsourcer was used, the respondent did not know whether the same call guide and quality monitoring form was used. However in 60% of the cases they were the same indicating that these clients had some consistency in managing their tele-marketing outsourcers.

Question 11

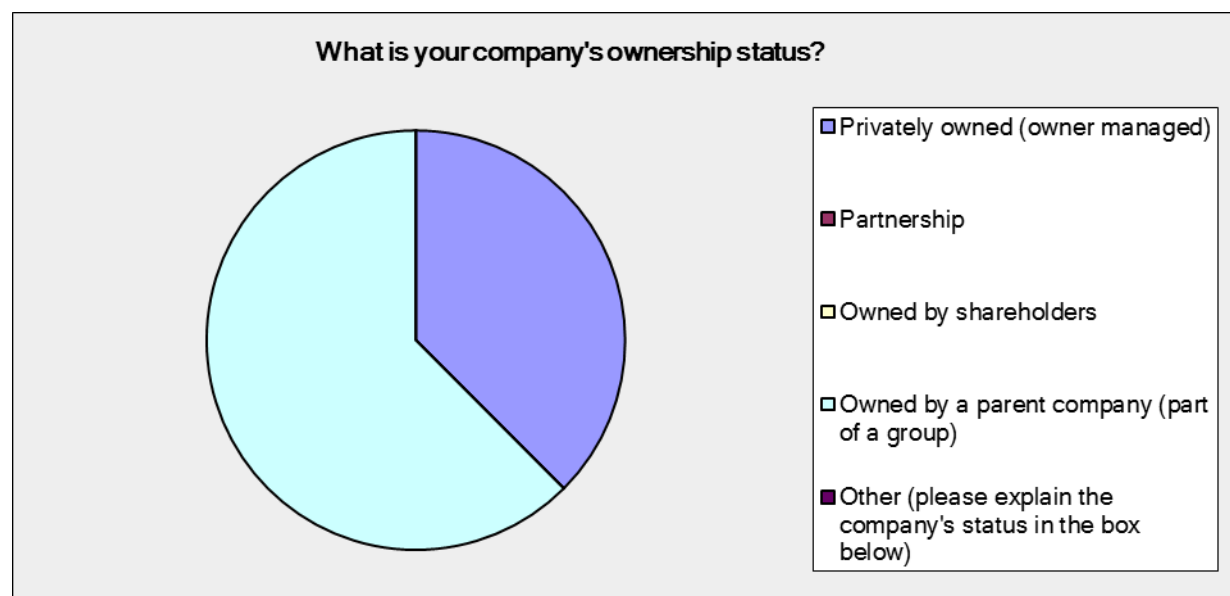
Q11: If No or Unsure/Don't know to the previous question (Q10), please can you explain what those outsourcers do/use?

All respondents skipped this questions despite two answering No or Don't Know/Unsure.

Section 4 - Ownership status (Questions 12-14)

The aim of this section was to understand whether the organisation was owned by a parent or not, and if owned by a parent the size of the organisation.

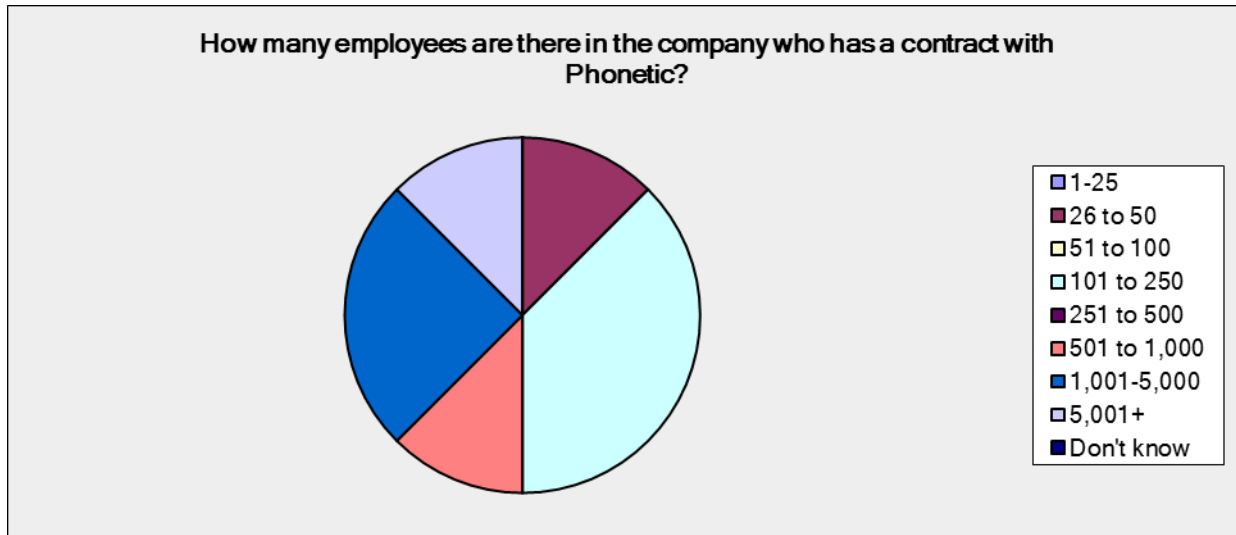
Question 12



What is your company's ownership status?		
Answer Options	Response Percent	Response Count
Privately owned (owner managed)	37.5%	3
Partnership	0.0%	0
Owned by shareholders	0.0%	0
Owned by a parent company (part of a group)	62.5%	5
Other (please explain the company's status in the box below)	0.0%	0
.		0
answered question		8
skipped question		0

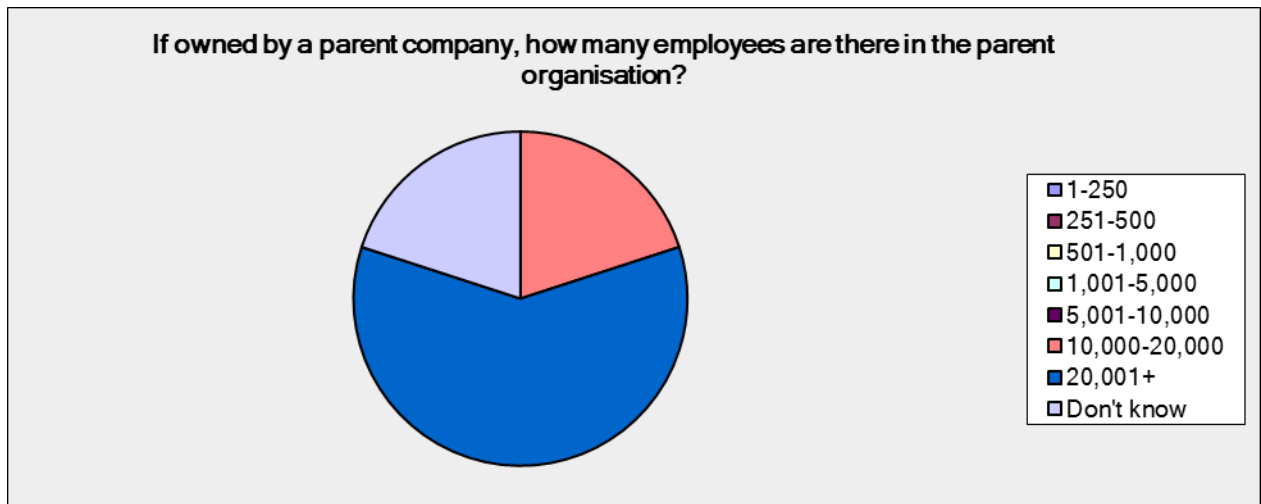
This shows clearly that Phonetic's insurance clients are either owner managed (37.5%) or part of a parent group (62.5%).

Question 13



How many employees are there in the company who has a contract with Phonetic?		
Answer Options	Response Percent	Response Count
1-25	0.0%	0
26 to 50	12.5%	1
51 to 100	0.0%	0
101 to 250	37.5%	3
251 to 500	0.0%	0
501 to 1,000	12.5%	1
1,001-5,000	25.0%	2
5,001+	12.5%	1
Don't know	0.0%	0
<i>answered question</i>		8
<i>skipped question</i>		0

Question 14



If owned by a parent company, how many employees are there in the parent organisation?		
Answer Options	Response Percent	Response Count
1-250	0.0%	0
251-500	0.0%	0
501-1,000	0.0%	0
1,001-5,000	0.0%	0
5,001-10,000	0.0%	0
10,000-20,000	20.0%	1
20,001+	60.0%	3
Don't know	20.0%	1
<i>answered question</i>		5
<i>skipped question</i>		3

Although there was a mix, the most common size of employees within an organisation was 101 to 250 with 37.5% of clients (three) falling into this category. However when this is compared to the number of employees in the parent organisation (if applicable) it can be seen that of the 5 companies with parents, 4 of the parents all employed over 10,000 people. Of the 3 that did not have parents, 33.3% employed fewer than 50 people, 33.3% employed 101-250 and the final 33.3% employed 501-1,000 people.

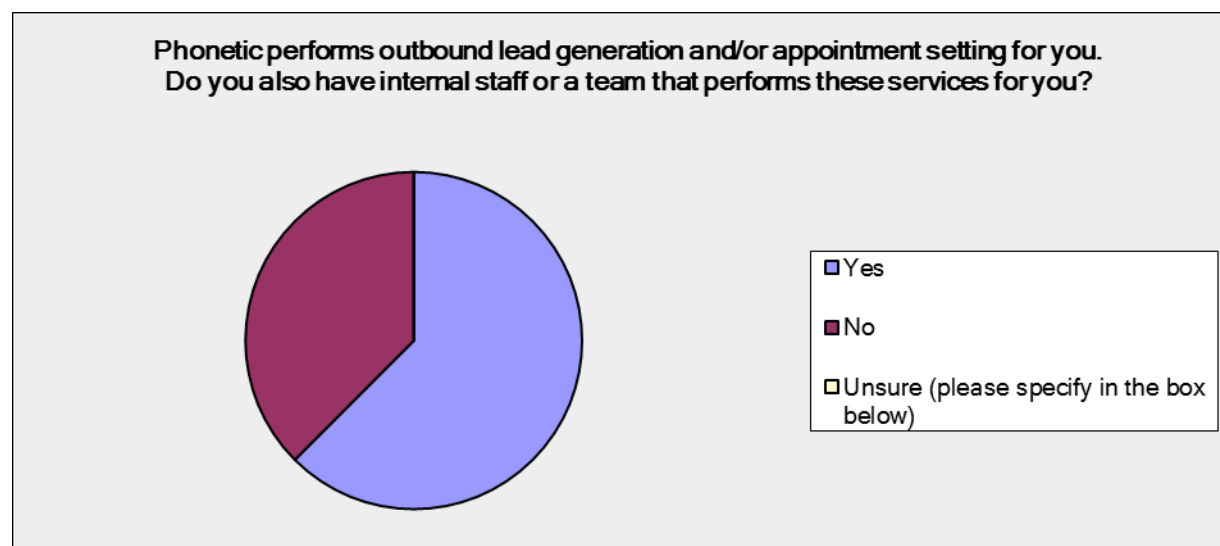
Table 32 – Comparison of owner managed to parent organisations and employee ratios

Client	Ownership	Employees in organisation	Employees in parent
A	Privately owned (owner managed)	26-50	N/A
B	Owned by a parent company (part of a group)	101-250	20,000+
C	Owned by a parent company (part of a group)	1,001-5,000	10-20,000
D	Owned by a parent company (part of a group)	5,001-10,000	20,000+
E	Privately owned (owner managed)	501-1,000	N/A
F	Privately owned (owner managed)	101-250	N/A
G	Owned by a parent company (part of a group)	1,001-5,000	20,000+
H	Owned by a parent company (part of a group)	101-250	Don't know

Section 5 - Internal team performing same function and how they are measured/monitored (Questions 15-23)

The aim of this section was to understand how many clients had internal teams performing similar functions and how these teams were monitored.

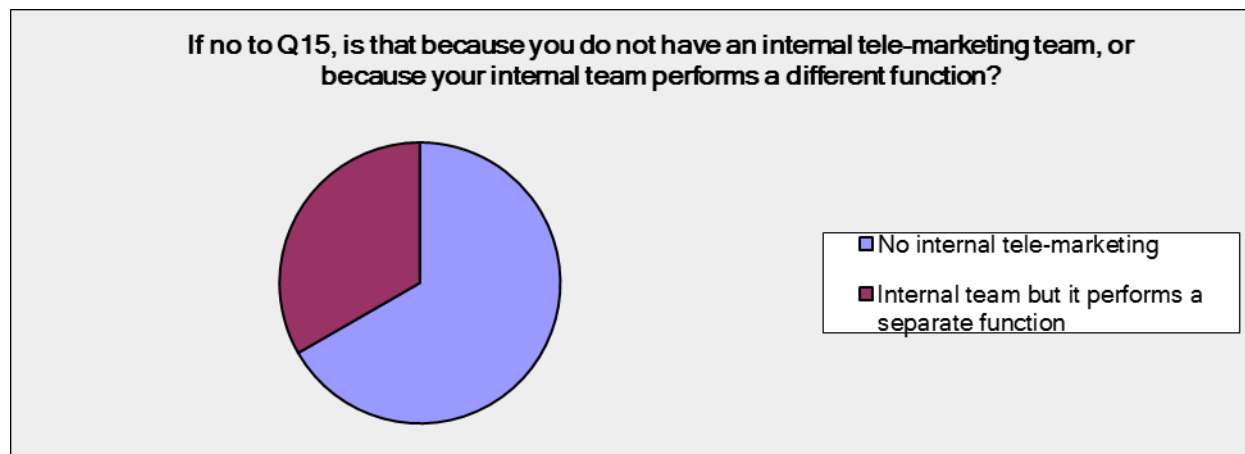
Question 15



Phonetic performs outbound lead generation and/or appointment setting for you. Do you also have internal staff or a team that performs these services for you?		
Answer Options	Response Percent	Response Count
Yes	62.5%	5
No	37.5%	3
Unsure (please specify in the box below)	0.0%	0
.		0
<i>answered question</i>		8
<i>skipped question</i>		0

Five clients had internal teams that performed simialr activities to Phonetic. The clients that had internal teams were Clients B, C, D, E and F.

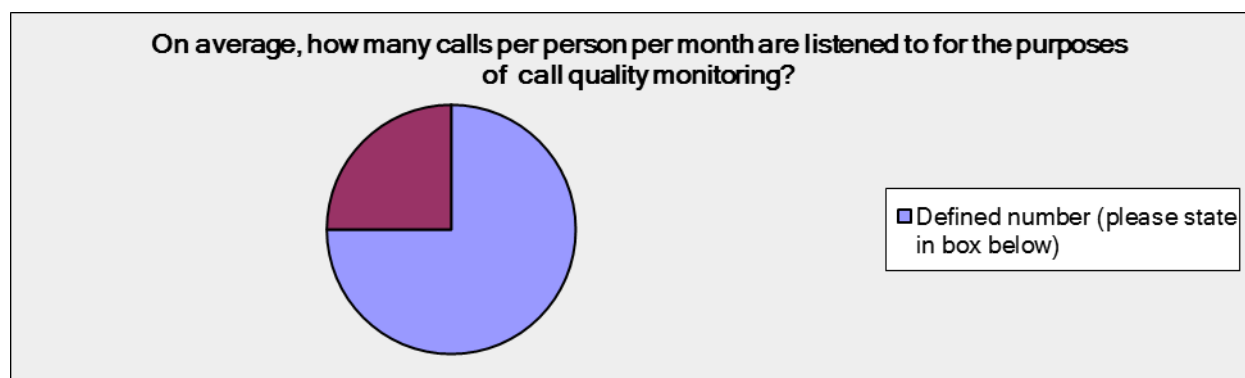
Question 16



If no to Q15, is that because you do not have an internal tele-marketing team, or because your internal team performs a different function?

Answer Options	Response Percent	Response Count
No internal tele-marketing	66.7%	2
Internal team but it performs a separate function	33.3%	1
<i>answered question</i>		3
<i>skipped question</i>		5

Question 17



On average, how many calls per person per month are listened to for the purposes of call quality monitoring?

Answer Options	Response Percent	Response Count
Defined number (please state in box below)	75.0%	3
Ad-hoc as required	25.0%	1
Calls per person per month listened to		3
<i>answered question</i>		4
<i>skipped question</i>		4

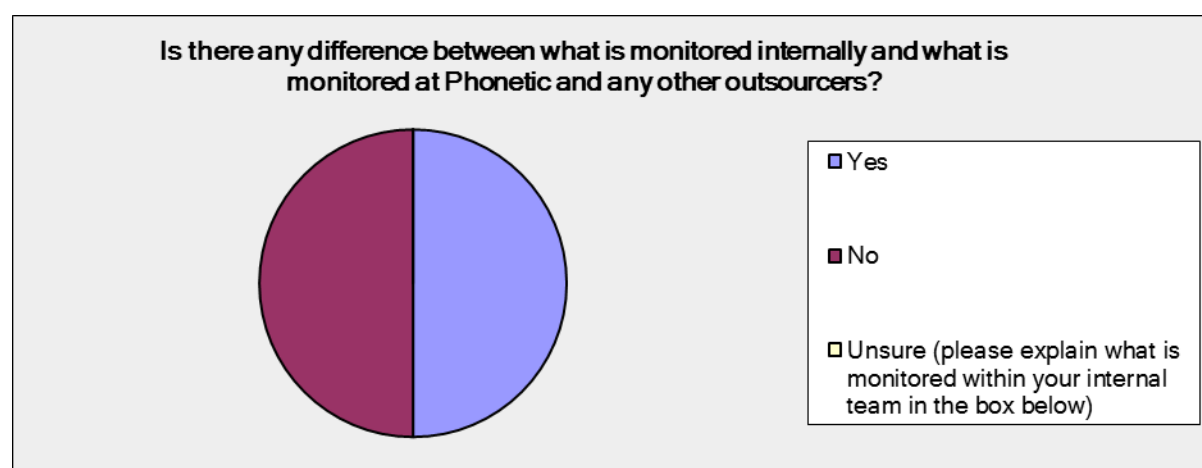
Of the 3 clients who stated a defined number of calls were listened to a month, these were 2, 2 (moving to 4 shortly due to changes within the parent organisation) and 5-10.

Question 18

Q18: How do you determine the ideal number of calls to listen to per agent per month?

Of the four respondents, only one was answered with value which was 'dictated by parent company'. The other responses were dashes, a repeat of the number of calls listened to and 'unsure'.

Question 19



Is there any difference between what is monitored internally and what is monitored at Phonetic and any other outsourcers?

Answer Options	Response Percent	Response Count
Yes	50.0%	2
No	50.0%	2
Unsure (please explain what is monitored within your internal team in the box below)	0.0%	0
.		0
answered question		4
skipped question		4

Question 20

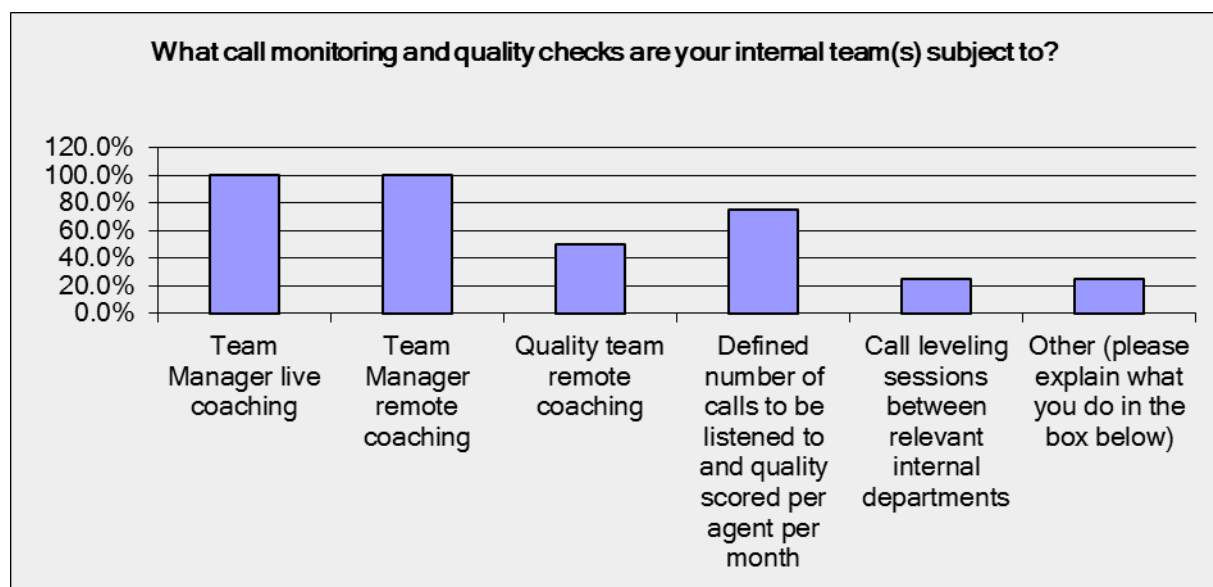
Q20: If Yes to the previous question (Q19) what is different and why is this?

The responses were:

'The difference is only slight and that is due to the scripts being different so the criteria measured varies - I am unsure of the exact differences.' (Client B)

There was no response given as to why they were different from Client C.

Question 21

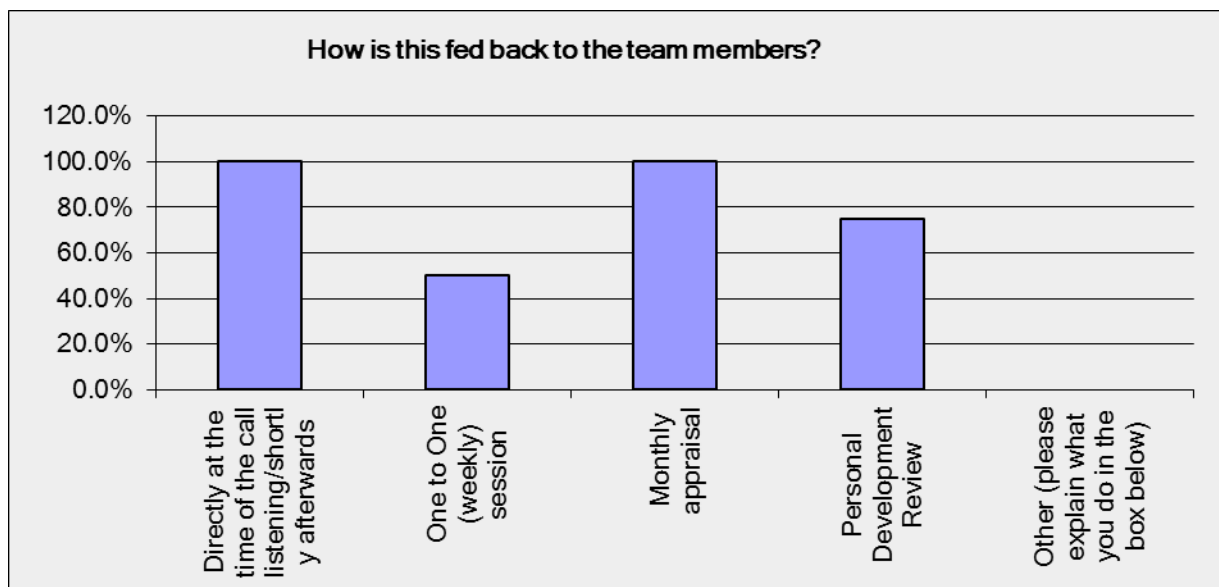


What call monitoring and quality checks are your internal team(s) subject to?		
Answer Options	Response Percent	Response Count
Team Manager live coaching	100.0%	4
Team Manager remote coaching	100.0%	4
Quality team remote coaching	50.0%	2
Defined number of calls to be listened to and quality scored per agent per month	75.0%	3
Call levelling sessions between relevant internal departments	25.0%	1
Other (please explain what you do in the box below)	25.0%	1
.		2
answered question		4
skipped question		4

Multiple options could be selected depending upon the number and type of methods employed. All four clients who responded to this question stated they performed live and remote coaching through their Team Managers,

The next most popular method was a defined number of calls per month per agent to listen to with 50% of clients having a Quality team perform remote coaching. One client also ran call levelling sessions.

Question 22



How is this fed back to the team members?		
Answer Options	Response Percent	Response Count
Directly at the time of the call listening/shortly afterwards	100.0%	4
One to One (weekly) session	50.0%	2
Monthly appraisal	100.0%	4
Personal Development Review	75.0%	3
Other (please explain what you do in the box below)	0.0%	0
.		0
answered question		4
skipped question		4

Of the four clients that responded, all reported that the call quality feedback was delivered at the time of the call listening and through a monthly appraisal or personal review.

Question 23

Q23: What are the top 3 key measures in your team, with 1 being the most important?

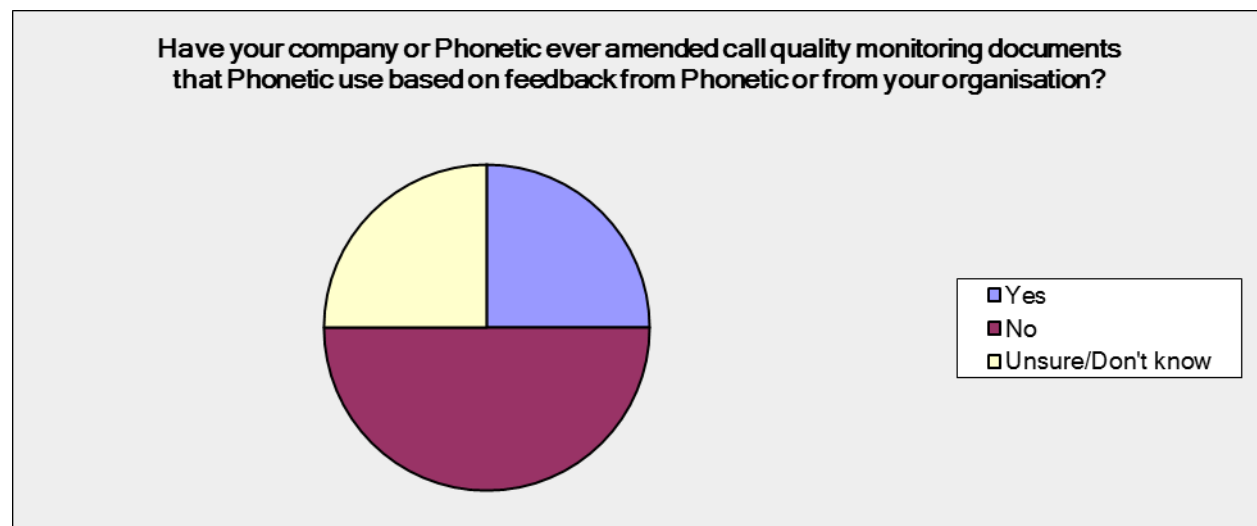
Responses by client:

Client	Most important	2nd most important	3rd most important
Client B	Compliance risk	Business risk	Sales competence
Client C	Business generated from telemarketing leads	Appointments made	Renewal dates collected
Client D	Call quality criteria	Call volumes and MIS data	Appointment volume and conversion
Client E	Compliance	Sales	Relationship

Section 6 - Amendment of processes and any other feedback (Questions 24-26)

This final section explored whether any changes had taken place to the call monitoring process.

Question 24



Have your company or Phonetic ever amended call quality monitoring documents that Phonetic use based on feedback from Phonetic or from your organisation?		
Answer Options	Response Percent	Response Count
Yes	25.0%	1
No	50.0%	2
Unsure/Don't know	25.0%	1
answered question		4
skipped question		4

Question 25

Q25: If Yes to the previous question (Q24), can you give an example(s) of the circumstances around why this happened and what was changed?

One client had amended their call quality document as a result of feedback. The response from Client B was – ‘Changed due to the feedback we received from customers generated via the rejection log’.

Question 26

Q26: If you have any further comments to add relating to the questions, please add them here

Client G was the only respondent to further information: *'We have had to provide Phonetic with a call quality scoring database as they did/do not have their own internal system that could be used.'*

4.4 - Semi structured interview results

The semi structured interviews were with a contact within the client business that dealt with compliance, quality and/or call monitoring. In most cases it emerged that the contact had the ability to answer some of the questions but not all of them.

The first question covered the interviewees role within the business and these included Director of Risk and Compliance (Client C), Training and Quality Assurance Team Leader (Client B), Group Compliance Officer (Client E) and Quality and Data Control Manager (Client F). They were also asked how they were involved in the outsourcing elements of the business.

The remaining questions fell into 2 main categories:

FCA, contracts and compliance responsibility

The interviewees were questioned on how involved they were in the creation of the contract (should one exist), whether this affected the call quality/monitoring agreements in place, the companies attitude towards outsourcing and how they interpret FCA guidelines into a quality framework.

2. Do you know if a formal contract exists with Phonetic? If yes, were you involved in the creation of it? Are you aware of the obligations of Phonetic from it?

There was a mixed response with one interviewee being aware that a contract existed but had no involvement, another not knowing anything about the contract and the last being aware of the confidentiality agreement in place and who was involved in the approval of it.

3. Do you feel the call quality and monitoring agreements in existence are affected or influenced by the status Phonetic hold in any contract that exists? (e.g. 3rd party processor, principal)

For two of the clients this question was not relevant as they were not involved in the creation of the contract, but for one client they felt it was a good thing that Phonetic were FCA authorised in their own right and could stand on their own two feet on this basis.

4. How do you rate your company's attitude towards risk in your outsourcing strategy?

This was not relevant to the role of one of the interviewees. It was felt by the other two respondents that they had a cautious appetite for risk, with one client recognising that although things can go wrong, they try and manage the relationship as best as they could:

'It is more about what the controls are and how we manage the risk but we recognise where we have an external link then we can only manage the risk so far' (Client E)

Client C commented:

'our attitude to outsourcing.....I don't think we would do it lightly....I think we would prefer to do it in house except where there is a core skill that someone else is better at, like what you're doing'

5. What regulations are considered within the contract? E.g. FCA, DPA, Ofcom, Other (state....)

For two of the clients this question was not relevant as they were not involved in the creation of the contract. The third client talked about the checks they conducted before they would partner with a company and this included the stability of the business they outsourced to, their reputation and a full company search. In addition whether the company was FCA authorised in their own right, which Phonetic are.

8. What aspects would you consider as being mandatory from a regulatory purpose? What is mandatory for your brand?

This was not asked of Client C but Client B gave some specific examples of what was required, including informing the customer the call is being recorded, ensuring the customer is aware how long they will be on hold for, setting the customer expectations and not misleading customers (reinforcing that the role is non-advisory).

Client E stated *'it's mainly not over stepping the line so not seen to be giving advice, not going to the point of making statements that could be misleading and as an introduction it is clearly at the front of the process in getting the client to us and I think that is a more limited risk.'*

9. How do you interpret the FCA's guidance into the call quality elements you require your outsourced tele-marketing partners to monitor?

Client C was candid about the amount of interpretation required of the FCA handbook at the stage of calling in which Phonetic were involved:

'At that stage you've not got a relationship, they're not actually a client they're just potentially a client. There's very little at that point, it's about who you are and what the business is, and we should be saying we are authorised and regulated by the Financial Services Authority. The basic stuff is who you are, which firm you are calling from and that you're regulated'.

Client E observed that the ICOBs (Insurance Conduct of Business) handbook from the FCA allowed outsourced firms to call 'from' the client company and not necessarily 'on behalf of'. He acknowledged that he had limited involvement in what Phonetic monitored their team on.

Checking what the outsourcer is measured against and whether that varies from outsourcer to outsourcer, and whether that varies to internal teams

6. How do you interpret the FCA guidelines to ensure the tools are in place to maximise quality from both parties?

All clients acknowledged that the bulk of the work was in interpreting the FCA guidelines when they entered a new market or way of processing their work. Client C commented:

'the basic rules that were written since January 2005...haven't fundamentally changed. And so the big piece of work was around that, taking the draft rules and putting them into processes and procedure.'

Client E noted it depended on the service they were outsourcing: *'I think again it depends on what it is that is being provided.....I think we take a fairly light touch approach I suppose so we haven't come and formally audited which I think we should....come on site and have a review of how you transact our business'*.

Client B discussed using their internal compliance function to *'help drive that forward and set the directive and any business changes that take place, the compliance department are full signatories for that process so, nothing actually goes live without them authorising it. In conjunction with the team leaders or the operations function we will sit and discuss any changes and whether that does have compliance orientated impact or customer journey impact'*.

7. What elements do you believe are important when assessing call quality?

Clear across all interviewees was the customer experience which all felt were influenced by aspects such as professionalism, quality and listening, and a clear idea of the aim and outcome of the call. All acknowledged the importance of balancing compliance statements versus building rapport and a relationship. Specific quotations from the clients interviewed are in Appendix J.

10. Is there any difference between what is monitored internally and what is monitored at Phonetic and any other outsourcers? (if yes) Why do you think that might be?

There was a mix of experiences here as Client C and Client E have teams in offices that use the phone but are not tele-marketers and Client B who has a team who perform the same as Phonetic. Client C has no call recording of calls whereas the other two do. Client C acknowledged that *'In terms of monitoring the quality of the outbound calls to the prospect list, I have to say I don't think we do anything'* but did raise that they would like to be able to do this. More specific quotations from Client C regarding this question are in Appendix J. Client E were looking to share the knowledge Phonetic had gained and what we monitored agents on as *'increasingly at renewal stage, whatever business we give to you (Phonetic), I think at renewal stage branches will start to chase renewal even more on outbound as part of that process, it is inevitable'*.

Client B have a very well documented process set up for their internal team but it does differ to what is in the contract with Phonetic and the respondent could not comment on what was in place with the other 2 outsourcers they use. They raised the fact that they were not as involved in the call quality monitoring process as they would like to be and this is something that they would look to correct in the near future. Clients C and E also echoed the same sentiment. Client B raised that the Team Leaders would also coach their agents *'but there is limited connection there between the QA function and the team leaders to the assessment approach'*. More detail from this client is also in Appendix J.

11. Do you think the size of your organisation affects the level of call monitoring for internal and outsourced teams? If so, how?

This was not asked of Client C. Client E acknowledged that whilst they had 500-1,000 employees and no parent *'because of the way we operate I think we are fully hybrid and we still have a mentality that every branch is its own business'*. They did

however benefit from insurers involvement in their business as *'we are audited very regularly by our insurer panel who listen to calls as well so it is almost an external audit where they are listening to calls against their standards and we learn a lot from that'*.

Client B has been on a recent change process with their parent and *'we have become more and more aligned to the (parent) way of doing things but I think the sharing of best practice has helped to drive that forward. I think historically we have been relatively independent. We do take a lot of learnings from them but equally we still apply our own version of it as long as we are consistent in the way that we process and document our procedures we can have that element of flexibility'*

4.5 Analysis

There were five key measures within the conceptual framework which the author felt influenced the call quality measures in place. The analysis will be centred on these five main areas, looking at the data collected from each of the research methods. Reference will be made back to the original concepts in the Literature Review.

Conceptual Framework Pathway: Performance Management

The literature review recognised the conundrum between outsourced services giving good value for money versus a good quality service. The 'mass customisation' model that Batt and Moynihan (2002, in Robinson and Morley 2007) suggested was the ultimate aim where a balance of efficiency (low costs) and effectiveness (quality and service) is sought.

As noted in the findings section from the questionnaire, 87.5% of clients trusted Phonetic to conduct the appropriate call monitoring. There is clearly an element of trust between the client and the outsourcer that Phonetic conduct timely and appropriate performance monitoring of the agents calling on their campaigns. This is in some part due to Phonetic being viewed as 'the expert' which is why the client outsourced their tele-marketing in the first place. An observation from the call monitoring form analysis in the secondary data is that there is some variation between both the call guides and call quality monitoring forms used by Phonetic and their clients where they perform the same function. It seems clear that there was no cross checking or reference of the outsourcers call guides and quality forms compared to the internal teams before the outsourcers campaign started. This supports the assertion from the literature review of Lynch and Cross in 1991 (from Neely 1999) who looked at performance management processes and discovered that they are rarely integrated with each other or aligned to the business processes. Only three clients have a specified volume of calls per agent per month (papm) to listen to, including one who has an agreement to listen and feedback on those that

appear on a daily log. Two of these are organisations with parents who employ 20,000+ people, one is an owner managed company with 501-1,000 employees. However 50% of the clients use another outsourcer than Phonetic, suggesting that there should be some alignment in the approach that these outsourcers take when calling from that client. Again, this reinforces the informal nature of the call quality monitoring that clients expect Phonetic to perform, albeit that there is an assumption they are doing this, just not contractually bound to it.

From the semi structured interviews, it was clear there was limited involvement from the clients compliance and QA teams on how Phonetic were monitoring their agents, but as a result of the study all clients expressed an interest in becoming more involved in the process.

Where clients outsourced to another company, two of the three that did had the same call guide and call monitoring documents as Phonetic did (one did not know). However, the author is aware of only one organisation that uses the same call quality documents and call guides. The secondary data showed there was variation in the call quality monitoring documents and in some cases terms were different although meaning similar things. In other cases the client monitored areas that Phonetic did not, and vice versa.

However when clients had a team that performed the same function as Phonetic, two out of three clients reported that different elements were assessed internally compared to externally. A key question would be why is this the case, when they are performing the same function? It is not clear what the differences are and whether this means fewer or greater checks are made to internal teams than outsourcers. When discussed with the Compliance/Quality Monitoring contacts in those organisations, they all recognised that there should be a more aligned approach between the call quality monitoring process in their own organisation and any outsourcers used, including Phonetic.

80% of respondents have compliance contact who check and approve call guides before Phonetic can make calls on their campaign. During the semi structured interviews this was raised and it appears that quality monitoring systems are very much in a silo process, i.e. the client contact for the outsourcer has had the call guide and call quality monitoring form approved, often through a compliance team, but that no-one has considered the value to having the same approach for internal and external teams and ensured the alignment of what is being said and how it is being monitored.

Stiles et al (1997) defined performance management as:

- The setting of objectives
- The evaluation of performance
- The linkage between evaluated performance and development and rewards in order to reinforce desired behaviours

When analysing the findings from the questionnaire and interview methods it poses a conundrum; all these elements exist with Phonetic and their clients for 'hard' targets such as number of leads generated/transferred and appointments made, but less often are there objectives, evaluation and rewards in place for enhanced call quality and other qualitative targets.

The semi structured interviews established that in few cases, the outsourcer took part in any formal review of the call monitoring conducted by Phonetic. Clients did visit Phonetic and listen to agents, and provide feedback on what they found which was then actioned but rarely did this change the performance management process, more likely the call guide, approach or agent style.

Only one client reported changing the call quality monitoring documents as a result of the feedback log which has been checked and updated every day for the last 6 months.

Conceptual Framework Pathway: Qualitative versus quantitative targets

The literature review identified the conflict that operational Team Managers face when balancing quality and quantity. Banks and Roodt (2011) referred to numerous researchers who have investigated the conflicting nature of call centre objectives, suggesting that the two objectives of efficiency and quality are contradictory.

Within the literature review was the assertion by Banks and Roodt (2011) that despite the Team Managers having a service focus and culture, the first thing that 85% of them checked when they got back to their desk after an absence from the calling floor was a quantitative measure such as calls made/taken, sales made. This backed up the findings of the Robinson and Morley study in 2006. The author wanted to explore this with the contacts they had within the client organisation.

Clients were asked 'What are the top 3 key measures in your team, with 1 being the most important?' The findings were in contrast to the findings within the studies in the literature review as call quality and compliance was the most important aspect in 75% of respondents as the primary measure. This could have been influenced by the respondents knowing that the author was investigating call quality, compliance and monitoring. Another possibility is that the seniority of the roles that completed the questionnaires meant that they took a more holistic view rather than be target driven. As referred to in the previous section, there is nearly always a primary focus on the numbers when firstly analysing the success of a campaign within Phonetic before considering the quality scores.

However in 50% of cases the 2nd measure was sales/appointments and the same weighting applied to the 3rd measure for the same measures. Client C has over 1,000 employees and a parent with over 20,000 employees yet compliance and quality did not feature, with business generated, appointments and future opportunities being the key metrics. In contrast to what was expected, this response was from a Marketing and PR specialist and the more 'compliant' responses were

from operational contacts who would have been more targeted and focused on sales conversions.

This would seem to corroborate Dean and Kiu's (2001; p407) research referred to in the literature review which concluded 'that organisations do believe performance monitoring is related to quality outcomes'. They suggest that the rigour and frequency of performance monitoring are important and highlight the business imperative for value.

Also relevant is the responses to the 'top 3' question in the context of Neely et al's (1999) observation that the creation of a regulator shapes the critical performance standards a company measures internally and puts at the top of the agenda, and that this ultimately shapes the behaviour and culture of the business by putting these aspects as the most important to measure and meet. Whilst Phonetic have numerical targets to meet it appears in the context of the insurance clients that where compliance is involved, this takes precedence as adherence to FCA regulations overtakes all other priorities.

Conceptual Framework Pathway: Size of organisation

The assertion from the literature review was that SME's were less disciplined in the way they organise their business and larger organisations are more likely to have a strategy in place and agreed measures. The author wanted to explore whether this affected the type, volume and quantity of call monitoring in place.

Hudson et al (2001) defined six key areas as critical dimensions of performance within SME's including quality, time, flexibility, finance, customer satisfaction and human resources. Banks and Roodt (2011) referenced Holman et al (2007) who identified that through the prevalence of outsourcing contracts, organisations now have to differentiate themselves from their competition in terms of quality of service, flexibility, customisation, innovation and rapid response – all characteristics of SME's.

Through summarising the relationship between contract, employees, whether they are owned by a parent and the volume of employees in the parent organisation, it was found that where a contract exists (four cases) three of them have a parent and in all cases that parent organisation employs at least 10,000 people. This can be seen in Appendix K.

There were some unexpected findings from this analysis: one client does not have a contract in place despite having 5,000 employees and a parent with 20,000+. This may be due to the ad-hoc nature of the work they ask Phonetic to do. Conversely, another only has 101-250 employees and no parent yet they employed a full time Compliance Manager in the last 3 months who insisted on a contract being created with all outsourced parties they used.

When comparing the size of the client organisation with whether a contract exists, it seems clear that there are more checks in place for clients with contracts than those without. Organisations with fewer than 250 employees and no parent tend to have fewer performance measurements metrics in place and also no formal contract.

The semi structured interviews revealed that those with a parent organisation are influenced by that parent but yet still retain their own autonomy and control; where a parent did not exist the client was audited by their insurer panel so experienced the influence of a parent 'size' organisation whilst being able to retain their own independence.

There does appear to be a link between the size of the organisation which is outsourcing and the amount of call monitoring and performance management they expect the outsourcer to deliver. This confirms the findings of Lingle and Schiemann's (1996) study into performance management (quoted in Neely (1999)) which suggested that larger organisations have more clarity, direction and focus on performance management measures. It can also be concluded by the lack of monitoring that exists from Phonetic's SME clients that they experience the same issues as Phonetic themselves. Hudson et al 2001 quoted Ghobadian and Galleary's (1997) study which found that resource implications (especially management time) led to the implementation process of any new system being markedly more taxing for SME's than larger companies.

Conceptual Framework Pathway: Contractual status

If the results from Question 5 ('Who has FCA responsibility for calls made by Phonetic?') are compared to the the contractual status it shows that in some cases clients believed they were responsible when this had not been clearly defined (e.g. Clients A, D and H) and conversely that they believed Phonetic were responsible where there was no formal agreement in place (Client E) . In one other case a client thought Phonetic were responsible when according to the contract the client was, although this could be down to the more junior respondent from this client. When the Compliance contacts were questioned on this they admitted scant knowledge of the contractual relationship, but all indicated that they should be more aware and that it was now more likely to come into scope and be reviewed as a result of the interview raising the question.

Table 33 – Comparison of questionnaire responses to contract types by client

Client	Contract in place?	Who is FCA responsible?	Who did questionnaire respondent believe was responsible?
A	No contract in place	Not defined	Phonetic
B	Yes	Client B	Phonetic
C	Yes	Client C	Client C
D	No	Not defined	Client D
E	No – confidentiality agreement only	Not defined	Phonetic
F	Yes	Client F	Client F
G	Yes	Client G	Client G
H	No – confidentiality agreement only	Not defined	Client H

From analysing the data the decisive factor on whether a contract is in place relates to the size of the organisation, especially where a parent is involved. If Phonetic had

not instigated a contract and the outsourcing organisation had less than 500 employees there were no contracts in place suggesting that degree of formality was only introduced when the company became a certain size or a parent organisation was involved. The area of contracts was not covered in the literature review but it was felt that this did influence the call quality measures in place. As demonstrated, the size of organisation tends to influence whether a contract is in place, and these two elements combined then shape the type and level of call quality monitoring agreements.

Conceptual Framework Pathway: Employee acceptance

The literature review found that the culture in which the monitoring takes place is crucial as well as what is done, how often it is done and with what intention.

Chalykoff and Kochan (1989) acknowledged the benefit that providing feedback brings to the customer satisfaction within the organisation and recognised many variables are significantly related to satisfaction with monitoring including immediacy of feedback, supervisory expertise, clarity of rating criteria and supervisory consideration behaviour. They found satisfaction with monitoring itself had a significant influence on job satisfaction. Client E had a very interesting model where they got employees to self-assess themselves on calls *‘so encouraging staff to listen to their own calls and then feed in to the managers as well....we find that it helps buy in as well so people actually listen to themselves and realize that they don’t always sound like they think they do and don’t always say the things that they think they do. This instils a better relationship with the manager.’* This directly relates to Chalykoff and Kochan’s (1989) study where they found that the approach taken by their supervisors to call monitoring made all the difference in how it was perceived and received.

The aim of exploring this area is not to understand if employees at Phonetic or their client organisations are happy and satisfied with the call monitoring they get (this could be another study in its own right!) but the methods with which the clients monitor their teams and compare this to Phonetic’s methods.

For those clients with internal teams, they tend to employ the same listening and feedback methods as Phonetic, demonstrating a consistency in approach. 2 clients listened to and fed back 2 calls per person per month and another 5-10. As a proportion of the calls made and decision makers spoken to 4-5 calls a month is still very low, but is an industry average/standard.

During the interviews with the compliance and quality contacts there was a clear desire for the monitoring that took place of a client's employees to be perceived as fair, positive, constructive and encouraging. The amount and regularity of monitoring appears to be low compared to the number of transactions that the individual conducts throughout the course of the year but an element of trust is assumed. This links closely to the findings of Sigeall and Gardner (2000) who explored employee empowerment and competence and found that 'in order to act empowered, they need to feel empowered and that perception is affected by organisational context' (p715).

Chapter 5 – Conclusions

5.1 Introduction

The following conclusions have been drawn from the findings presented in Chapter 4 and are discussed in relation to the key elements of the conceptual framework and the objectives:

1. To assess the current interpretation of FCA guidelines by Phonetic's insurance and broker clients into their own internal call quality monitoring functions where they exist (and those elements which they expect any outsourced partners to replicate)
2. To investigate any variances found between these interpretations by Phonetic's insurance and broker clients and the reasons behind this variation in interpretation

5.2 Overall conclusions

The author anticipated reviewing a wide range of call quality documents but when these were provided by client organisations it quickly became apparent that they measured and monitored different call quality elements than Phonetic. This was due to their internal teams taking Phonetic's leads and processing them to a sale, whereas Phonetic were getting the lead to the point of transfer for quote or making an appointment. This meant there were only two clients where call quality documentation could be directly compared (where they had internal teams that performed the same function as Phonetic). Where there were variances these included:

- Who/Where Phonetic have to say they are calling from (this has changed for one client during the course of the research)

- What needs to be said by internal teams compared to outsourcers, even where the client is responsible for the FCA elements of the call.

What was not anticipated was the fact that the approach was not more aligned in the two organisations where they used multiple outsourcers and had internal teams performing the same function. Different outsourcers appeared to use different call guides and have different call quality forms compared to the clients own internal team. It was expected the client would have more influence or control over this at the start of the campaign ensuring that all teams, when in-house or out-sourced, used the same call guides and call quality monitoring forms. Although there is the argument that each team may have its own style and 'way of doing things', an aligned approach would mean that teams could be compared equally. Phonetic do have one insurance client who use multiple outsourcers for the same lead generation activities and although their internal team perform a different function, this client is very specific as to the call guide that should be used and the call quality monitoring that should take place amongst all outsourcers. This is a model that could be replicated by other clients for both internal teams and outsourcers.

During the research it was discovered that many small organisations had employees with a dual role; someone responsible both operationally and for the compliance and training aspects within their teams. However in larger organisations the opposite was true, with people in specific roles of compliance and training but far removed from the Phonetic (or other outsourcers) operation. Often there were separate legal, marketing, compliance and training contacts within the business all with scant knowledge of the contract in place, the targets agreed or how Phonetic (and other outsourcers) were performing in relation to those qualitative and quantitative targets. Key conclusions were drawn relating to each element of the original conceptual framework and they are:

Performance Management

Clients in the main trusted Phonetic to conduct appropriate call monitoring from day to day although did ask for ad-hoc feedback based on comments from internal employees. In addition key contacts would listen to live calls when they visited Phonetic to review the campaign.

Qualitative vs Quantitative targets

In cases where client contracts existed there were always quantitative targets, and in a number there were qualitative measures as well. This demonstrates that Phonetic's insurance clients were concerned with both measures.

Contrary to the findings in the literature review, Phonetic's insurance clients focus was more heavily geared towards the qualitative nature of the work when it came to checking their outsourcer and internal team's operations. This may be due to the risk involved in outsourcing a part of their operation and also due to the desire to remain compliant with FCA regulations. However the volume and type of checking on internal teams was significantly lower and less frequent than the call monitoring which took place at Phonetic.

Size of organisation

The size of organisation had an impact on whether there was a separate compliance contact, the amount of call quality monitoring undertaken and the formality of it. Where a parent organisation existed, the type and volume of call quality monitoring was more structured and defined than in those organisations without a parent. The smaller the organisation, the fewer formal call quality measures or agreements were in place (unless there was a large parent where the 'rules' of the parent filter down).

Contractual status

There was some lack of clarity over whether a client thought they were responsible for FCA elements or whether Phonetic were. Where a contract existed, it was clear who was responsible for the FCA element of the calls made by Phonetic, and in all cases this was the client organisation.

The lack of awareness of contract contents became clear during the semi-structured interviews; it appeared the creation of a contract was very much a 'box ticking' exercise from a compliance and legal perspective; a necessary exercise with agreed targets in appendices that were rarely updated and absorbed into the operational teams targets.

Employee acceptance

It was apparent that the relationship between manager, agent and quality functions was valued very highly by clients. A key element from all research methods was balancing the 'stick' of compliance with the 'carrot' of success. In all cases, although certain quality monitoring elements had heavily weighted compliance elements, interviews and comments all raised the importance of compliance being used to encourage appropriate behaviours and treat the customer fairly. As a result of the study, compliance and training contacts have requested to become more involved in the outsourced operation.

5.3 Revised conceptual framework

On the original conceptual framework the assumption was that all five elements were equally contributing towards the call quality measures in place.

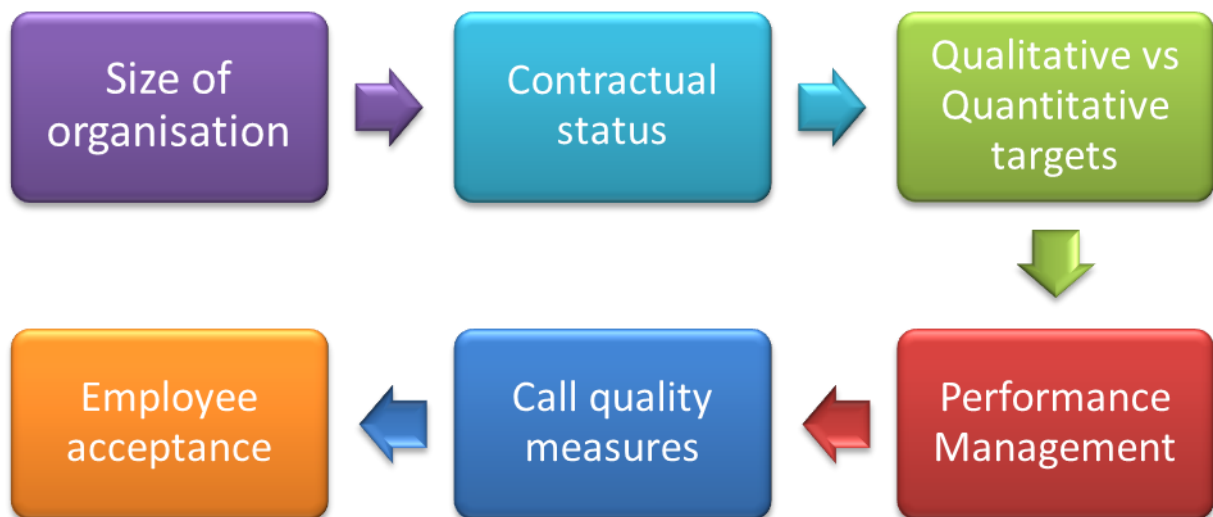
Initial conceptual framework



It has become apparent during the study that the key driver for the call quality and performance measures in place are determined by the size of the client organisation. If a contract is in place, then qualitative and quantitative targets are likely to be influenced and documented. This in turn affects the level of performance management required by Phonetic and shapes the call quality measures that are put in place to measure the achievement of these agreed targets. The way that call quality is monitored, measured and delivered all has an effect on the employee's acceptance of the monitoring in place. This is the end of the process as there is no feedback loop from Employee Acceptance that affects Size of Organisation.

Therefore the process is linear rather than contributory and a revised conceptual framework is proposed.

Figure C: Revised Conceptual framework



As a result of this study, the author is satisfied that they have conducted a thorough investigation into the area of call quality monitoring although the search to find the answers to 'why is there a difference between what internal teams are measured on compared to outsourcers' has not been fruitful. However there is potential for this to change should the recommendations be implemented by both Phonetic and their insurance clients.

Chapter 6 – Recommendations

The following recommendations are made for both Phonetic and their client organisations. A priority system has been applied from Phonetic's perspective but priorities within client organisations may differ due to a variation in priorities. A timetable has also been suggested but where client involvement is necessary this again may be influenced by client priorities.

Contracts

Due to the informal nature of work that Phonetic undertake there are a number of clients that do not have a formal contract in place. It is recommended that even for pilot campaigns these are introduced so each party is clear of the FCA and quality obligations of the other.

Call Quality Monitoring

Clients stated that they wanted to become more involved in the call quality monitoring that was performed by Phonetic and how they aligned this with other outsourcers. A number of recommendations have been made in this area, ranging from a more aligned approach for those clients managing multiple outsourcers and internal teams through to the development of an internal Quality Management system within Phonetic.

Client relationships

Whilst it was clear that positive relationships existed between operational and/or account management functions, it became apparent through the semi structured interviews that compliance and quality functions were not as involved in the relationship with outsourcers as they felt they should be. Recommendations have been made to strengthen these links.

Recommendation	Priority H/M/L	Notes	Timescale
Where a contract does not exist, instigate discussions regarding one and set them up as a matter of course for every client moving forwards.	H	These contracts need to clearly state which company holds FCA responsibility for calls made by Phonetic and a call monitoring agreement including the type and volume per agent per month	June-July 2014
Further definition by Phonetic of a call quality monitoring form per client (rather than a standard hybrid form used across smaller/pilot campaigns)	M		August 2014
Where a client has more than one outsourcer and/or an internal team performing the same function for them, Phonetic to work with that client to review all call guides and quality monitoring forms with the aim of having one standard and consistent approach for all teams	H	The progress and timescale of this will be affected by the client's priority levels.	Ideally between June – September 2014
Phonetic to undertake a review of all client call monitoring forms and agree with client the important parts to be measured	M	This point may be already actioned by the previous recommendation if	August 2014

In addition, review the call quality scoring for all client campaigns. In many cases there is an equal emphasis and scoring across all elements, when some areas are more important than others		multiple teams exist for that client	
Phonetic to build a Quality Management system that allows any member of the Quality or Management team to input and assess scores by campaign or agent.	L	This is a significant project in its own right and delivery will be influenced by the time to design a system and IT capabilities and resource.	October – December 2014
Phonetic to establish working relationships with the compliance and quality contacts within the client organisations and to conduct regular audits and reviews of the call quality monitoring that occurs and how this can be refined and improved.	M	Encourage clients to audit Phonetic's call quality and monitoring operations at least once a year.	Ideally between July - August 2014

Further research

There are a number of insurance companies that use multiple outsourcers for lead generation and/or have an internal team performing the same function as the outsourcer. In a wider context there is an argument for further research across these companies to assess how they manage and maintain their outsourced contracts from the aspect of call quality monitoring and compliance. This would have to be

conducted by someone who was felt to be neutral and had no bias towards a particular insurer or outsourcer. This could potentially be expanded to include Financial Services companies as well, as they are also bound by the FCA and have similar attitudes to risk and outsourcing.

This study could also be replicated in other outsourcers that also conduct B2B outbound lead generation campaigns for insurance companies to see whether the results differ. In some cases, Phonetic would 'share' that client where both Phonetic and another outsourcer supply leads to the same insurance organisation. Again, this would need to be conducted by someone neutral or within the outsourced organisation as it is unlikely they would allow an employee of a competitor access to both their clients and their client's opinions and data.

Finally it could be an interesting exercise to repeat the study in a year's time to see what changes have been effected in both Phonetic and the client organisation. Insurance clients make up around 80% of Phonetic's calling but some clients do have ad-hoc relationships with Phonetic, or are currently in pilot phase which may not turn into business as usual. Therefore the exact same mix of clients may not be in place in one years time but the changes brought through the recommendations may influence and change how campaigns are set up, managed and delivered.

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